

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

UNITED STATES OF AMERICA :
 :
vs. : No. SA:18-CR-00603
 : San Antonio, Texas
BRADLEY LANE CROFT(1), : October 8, 2019
Defendant. :

TRANSCRIPT OF BENCH TRIAL PROCEEDINGS (Volume 1)
BEFORE THE HONORABLE DAVID A. EZRA
SENIOR UNITED STATES DISTRICT JUDGE

APPEARANCES:

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I N D E X**OPENING STATEMENT****PAGE**

By Mr. Surovic

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GOVERNMENT WITNESS:**RUFUS THEODORE COBURN, III**

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By Mr. McHugh

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1 (October 8, 2019, 10:53 a.m., open court.)

2 * * *

3 COURT SECURITY OFFICER: All rise.

4 COURTROOM DEPUTY CLERK: SA:18-CR-00603, United States
5 of America versus Bradley Lane Croft.

6 THE COURT: Appearances please.

7 MR. SUROVIC: Greg Surovic for the United States with
8 Mr. Fidel Esparza. We're present and ready. The third
9 individual -- actually there are four individuals at our table.
10 The third individual is Mr. Jeff Breen, he's our case agent
11 from Veterans Administration OIG and we also have Mr. Joe Cantu
12 who is our litigation support individual.

13 THE COURT: All right. Counsel.

14 MR. MCHUGH: Good morning, Your Honor, Tom McHugh and
15 William Brooks, we represent the defendant. The defendant is
16 in the courtroom today, he is ready to proceed. Also at
17 defense table with us is Mr. Fred Olivares, a retired, but not
18 retired FBI agent.

19 THE COURT: It's good to have all of you here. I need
20 to do a very brief colloquy with the defendant and counsel.

21 Counsel, my understanding is that your client has
22 determined that he wishes to proceed to trial before this Court
23 without benefit of a jury and that he has appeared before
24 Magistrate Judge Henry Bemporad and has gone through a full
25 colloquy where Judge Bemporad recited to him his constitutional

1 right to a jury trial and all of the attendant questions with
2 of course you present with him and that he did indicate in the
3 final analysis that he did wish to go forward and waive his
4 right to a jury trial, is that correct?

5 MR. MCHUGH: That is correct, Your Honor. He wants
6 issues of fact and law to be presented to his Court. He feels
7 comfortable with that. He is aware of his waiver, he knows
8 what his rights are and he's ready to proceed.

9 THE COURT: All right. I have a waiver of right to a
10 jury trial and I'm going to have that handed down to your
11 client. I know he's already signed it, but I want to have him
12 identify his signature on the document as well as yours,
13 counsel. Mr. Surovic, did you sign that as well?

14 MR. SUROVIC: Yes, Your Honor.

15 THE COURT: You need to identify your signature also.

16 MR. SUROVIC: Yes, sir.

17 THE COURT: And that is your signature, sir?

18 THE DEFENDANT: Yes, sir.

19 THE COURT: You heard what your counsel said and do
20 you agree with all of that?

21 THE DEFENDANT: Yes, sir.

22 THE COURT: And you do understand that you can change
23 your mind even now and go forward with the jury?

24 THE DEFENDANT: Yes, sir, I do.

25 THE COURT: And you do not wish to do that?

1 THE DEFENDANT: No, sir.

2 THE COURT: All right. Okay. And that is your
3 signature on the document?

4 THE DEFENDANT: Yes, sir, it is.

5 THE COURT: And that's yours, counsel?

6 MR. MCHUGH: It is, Your Honor.

7 THE COURT: And that is yours, counsel?

8 MR. SUROVIC: Yes, sir, it is.

9 THE COURT: If you'll present that to Ms. Springs, I
10 will approve it. I am satisfied that given his full
11 explanation of his rights and that he has made a knowing and
12 voluntary waiver of a right to a jury trial and the Court
13 hereby approves that waiver and I'm signifying it by my
14 signature on the waiver document just mentioned and I'm going
15 to direct that that be filed.

16 Now, I do need to disclose, I think both counsel are
17 well aware of this. I am a United States Marine Corps and
18 United States Army veteran and it's no different than my
19 getting a paycheck from the United States government I don't
20 think. I haven't been either on active or reserve duty for
21 many decades and I don't receive any VA benefits. I am
22 medically retired from the military due to an injury I received
23 in the military, but I chose not to pursue benefits, so I'm not
24 getting any VA benefits at all. So is that something that
25 bothers you?

1 MR. MCHUGH: I don't believe so, Your Honor, at all,
2 but let me just confer with my client.

3 THE COURT: All right.

4 *(Pause.)*

5 MR. MCHUGH: The defendant has no objection to this
6 Court proceeding in this case.

7 MR. SUROVIC: And Your Honor, certainly the government
8 has no objection.

9 THE COURT: All right. Okay. Well, counsel, I think
10 given the fact that we're going without a jury, this should
11 shorten the case somewhat because there's one way of presenting
12 a case if you have to present it to a jury of individuals who
13 don't understand the process and don't understand what the
14 charges are all about and quite another thing if you present it
15 to a judge who, particularly one who has many years at the
16 bench as I have, who certainly understands what the charges are
17 all about. In many cases such as this, and I'm not suggesting
18 the government do this, but in many cases such as this where
19 the defendant has waived a jury, the government has chosen to
20 go forward on just a specific number of their counts reserving
21 the other counts. And then if there is a conviction, they
22 frequently will not pursue those additional counts. I don't
23 know whether this is something the government has considered or
24 not.

25 MR. SUROVIC: Your Honor, I don't believe that this

1 case would be appropriate for that at this time, so we're going
2 to go forward on all of our counts.

3 THE COURT: All right. Okay.

4 MR. SUROVIC: I guess we can advise the Court exactly,
5 one of the things we discussed when it was decided that we were
6 going to go this route, Your Honor, was that we were going to
7 try to work out stipulations of testimony so we can expedite.

8 THE COURT: That will be fine.

9 MR. SUROVIC: We probably will not be calling all of
10 the witnesses that we had originally intended.

11 THE COURT: Were there some witnesses who had
12 preserved their testimony by deposition?

13 MR. SUROVIC: No, Your Honor. There is already one
14 stipulation of testimony concerning the Federal Reserve person,
15 pretty straightforward stuff. But now with the jury not here,
16 there's no reason to have them see a live person when it can be
17 done on a piece of paper.

18 THE COURT: Sure, of course. I'm not going to compel
19 anybody to do anything. I let the lawyers try their lawsuit as
20 you both know because you've both been in front of me many
21 times. The other thing is that in a criminal jury trial before
22 a judge without a jury, there are two ways that the Court can
23 proceed. I can simply reach a verdict at the end of the trial
24 the same as a jury would. You hand the jury a verdict form and
25 the jury says guilty or not guilty and I can simply reach a

1 verdict or if the parties want to go through the trouble to do
2 so and prepare proposed findings of fact and conclusions of
3 law, the Court can decide the case issuing findings. The
4 findings are of not a lot of value actually because if there's
5 an appeal, the Appellate Court will go to the briefs and to the
6 record. And the judge's findings, I don't know what value they
7 are because when you appeal from a jury verdict, you don't have
8 findings, you have the record and you have the argument. But I
9 wanted to get that out of the way because you obviously -- had
10 we known this beforehand, you would have already submitted
11 those if you wanted to, so you're going to have to do it now.
12 So how would you prefer the Court to proceed, just to issue a
13 verdict?

14 MR. SUROVIC: That would be the government's
15 preference, Your Honor. We'll present the full case as far as
16 the facts in the case and we'll let the judge decide and the
17 defense can have the record on appeal.

18 THE COURT: What would you like, counsel?

19 MR. MCHUGH: First of all, Your Honor, the defense
20 believes there will be no appeal, but we will -- what was the
21 question?

22 THE COURT: Whether you wish me to when rendering a
23 verdict, instead of rendering an oral verdict from the bench,
24 whether you want the Court to prepare findings of fact along
25 with its verdict which will take some time and then you would

1 have to submit proposed findings.

2 MR. MCHUGH: That's right. The defendant would prefer
3 to go that route.

4 THE COURT: You want me to do proposed findings?

5 MR. MCHUGH: Yes.

6 THE COURT: All right. I will do that. So you need
7 to submit, both parties need to submit proposed findings to the
8 Court and you need to start working on them now.

9 MR. MCHUGH: May we approach the bench?

10 * * *

11 *(Sidebar.)*

12 MR. MCHUGH: First of all, thank you for both
13 Mr. Surovic and I believe this is in the government's and the
14 defendant's long-term best interest and we believe that we can
15 greatly consolidate the presentation and the defense in this
16 case. It's my understanding that we were all prepared to begin
17 the trial today and there are witnesses here. And so
18 Mr. Surovic has informed us who the witnesses are and
19 everything, but just for this Court's accommodation, you know,
20 after today or after tomorrow, you know, the Court doesn't have
21 to try it from beginning to end. You know, it just needs to
22 accommodate the Court's schedule because I believe we have Sean
23 is out of town.

24 MR. SUROVIC: Your Honor, actually we have a number of
25 witnesses that are flying in. Of course, we had flown them in

1 based on the theory that we were going to be trying this with a
2 jury. One key witness is an IRS agent who was reassigned to
3 the Virgin Islands. He's flying back, but he won't be here
4 until I think it's Thursday night, so we'll need him. We may
5 very well run out of witnesses -- I'm presenting it to the
6 Court to cut out a lot of stuff.

7 THE COURT: We could always take a break and come
8 back.

9 MR. SUROVIC: We may need to do that or one of those
10 things where we knock out five or six witnesses.

11 THE COURT: The problem is my schedule stinks, quite
12 frankly, but with a criminal trial I certainly don't want to be
13 pushing this off for weeks.

14 MR. MCHUGH: No, no, no.

15 MR. SUROVIC: I anticipate, Your Honor, under the
16 current situation we can probably finish by Friday. There are
17 certain witnesses we have to call that won't even be here until
18 Thursday night and there may be gaps Wednesday afternoon,
19 Thursday afternoon where witnesses have not come into town and,
20 therefore, we'd need to move them to Friday.

21 THE COURT: Okay. I wasn't sure what you meant by not
22 trying it beginning to end.

23 MR. MCHUGH: I mean if there's an accommodation which
24 has to be made for somebody who is out of town, you know, the
25 defendant isn't going to object to that.

1 THE COURT: That's fine.

2 MR. SUROVIC: Thank you, Your Honor.

3 THE COURT: Okay. All right, very good.

4 *(Sidebar concluded.)*

5 * * *

6 THE COURT: All right. Counsel, I am more than happy
7 to allow you an opportunity to make a brief opening statement
8 if you'd like to make one to the Court. Shouldn't be more
9 than -- we don't have a jury, so it shouldn't be more than ten
10 minutes, but if you'd like to make a brief opening statement,
11 I'm happy to listen to it.

12 MR. SUROVIC: Your Honor, we'll keep our opening
13 statement extremely brief, we'll just give you a thumbnail
14 sketch of where we're going in this case.

15 THE COURT: All right.

16 MR. SUROVIC: It's a scheme to defraud case. Wire
17 fraud and everything flows out of that scheme to defraud. The
18 scheme to defraud in this case all involves the defendant and a
19 company that he created called the Universal K-9. Universal
20 K-9 is a company that he created to train working dogs, dogs
21 that were to be used by law enforcement or security agencies
22 and things like that to detect drugs. They're also called
23 fight dogs, things like that. The problem that he ran into and
24 where the scheme to defraud arises is that he decided that he
25 wanted to be able to tap into GI Bill funds in order to pay for

1 the classes that the students were taking. He came up with
2 this plan where he would rescue dogs from the pound, train them
3 to do this stuff and he would give them freely to the officers
4 that would come to actually do his course. The problem he ran
5 into is he didn't have instructors that were qualified that
6 would get him the certifications that he needed from the
7 Veterans Administration so that he could actually qualify to
8 receive G.I. Bill funds. And so when he applied to the -- in
9 Texas it's the Texas Veterans Commission. Each state has their
10 own little commission that the V.A. works through on things
11 like education. When he applied to them, one of their key
12 questions is who are your instructors and what are their
13 qualifications.

14 You can't get approved unless you identify who your
15 instructors are and what their qualifications are. He gave
16 them four names. You're going to hear three of those people.
17 Two of them are police officers from North Texas. They're
18 going to come down and they're going to talk about how they had
19 actually taken Mr. Croft's course earlier and had gotten their
20 dog and they were trying to learn some more, but one of the
21 things that they noticed when they were taking his course was
22 it really -- for law enforcement there was something missing.
23 You really have to understand how to do an effective search and
24 probable cause and things like that. So one of these
25 individuals, Wes Keeling, offered to set up a course like that

1 for Mr. Croft, and actually, in fact, taught a couple of those
2 courses. He had a friend who also helped him with the course
3 once. Magically those two individuals appear as instructors on
4 Mr. Croft's application to the TVC to get approval for this
5 course. They're listed as a variety of different things that
6 they never agreed to teach as far as being instructors. In
7 fact, they're listed to teach courses that they hadn't even
8 taken and had no idea how to do that, the kennel master course,
9 for example. They never agreed to do this for Mr. Croft. One
10 of them, Dustin Bragg, only had a very, very distant
11 relationship with Mr. Croft in the first place, didn't even
12 realize he was going in the V.A. process. You're also going to
13 hear from a third individual, Jesse Stanley, who is a retired
14 military, long-time dog handler for the military. In fact, he
15 trains dogs right now for HSI out at Lackland. He had met with
16 Mr. Croft and he had actually trained some dogs for Mr. Croft,
17 but he had never agreed to teach people for Mr. Croft and
18 certainly they had never discussed anything about him doing
19 that for the V.A.

20 The fourth individual that you will not hear from is
21 the most interesting individual of the four that he submitted
22 saying they were going to be instructors because that is an
23 individual by the name of Art Underwood. He also, like
24 Mr. Stanley, was a long-term dog handler for the military, had
25 been through a lot of courses. But the problem with

1 Mr. Underwood and the reason you're not going to hear from Mr.
2 Underwood is because at the time that the defendant made the
3 submission to the V.A. and to the TVC saying this guy was going
4 to be an instructor, he had been dead for a year and a half.
5 He wasn't available to be an instructor. So that is the heart
6 of the scheme to defraud. Mr. Croft needed to get this TVC
7 approval and the V.A. approval so that he could draw funds from
8 the V.A. for these courses. He used false names in order to do
9 it and in the course of the period, he was able to bill
10 \$1.2 million to the V.A. for courses that he was giving
11 fraudulently because he didn't have the instructors that he
12 said he was going to have. And without those, he would not
13 have been approved for the course.

14 The use of those four identities, Your Honor, is the
15 basis for the four aggravated identity theft counts. There's
16 also money laundering involved here and false tax filings.
17 That comes out of the way that Mr. Croft operated his business.
18 You see, Mr. Croft didn't want his name on any of the paperwork
19 for the business, so he created Universal K-9 and he created a
20 number of different forms that say Universal K-9 with the
21 number nine, there's Universal K-9 that spells out nine, but
22 his name is not on any of that paperwork. He got these other
23 individuals, some of them didn't even know that they were being
24 used for that and he listed them as officers of the
25 incorporation. He recruited this other individual, Richard

1 Cook, to be the president.

2 One of the things you will see, you will get a chance
3 to talk to Mr. Cook, he was also former military. He was in a
4 very unfortunate incident on the east side of town. He was
5 shot in the head, so he has some brain damage. He is a hundred
6 percent disabled. Mr. Cook(*sic*) brought him in, listed him as
7 president, had him do a lot of things, for example, create all
8 the bank accounts for the company. And then Mr. Croft would
9 keep the checkbook, would keep the ATM card and would direct
10 Mr. Cook to make withdrawals and things like that for him in
11 order to fund Mr. Croft's life-style. One of the things he
12 bought was a nearly half million-dollar motor home that he
13 lived in with his daughter at the place where the business was
14 being run. And these are all funds that came from the Veterans
15 Administration. You'll see the evidence that traces it from
16 the Veterans Administration to the accounts to the purchases.
17 He also did -- he was in the process of buying the property
18 that the classes were being given on. He didn't do it in his
19 name. He did it in the name of Universal K-9 and of course he
20 doesn't appear on it, but he is the one that's benefiting from
21 all this. And there are a number of purchases that he made for
22 his own personal benefit, had nothing to do with the business.
23 For example, jet skis, elective surgery, things like that. He
24 was using the funds that he was obtaining through Universal K-9
25 for his own personal benefit. And that is where the last two

1 counts, the income tax fraud counts come in because during this
2 period he was filling out personal income tax return forms
3 claiming that he only made \$2,000 a year when in fact he was
4 spending grossly in excess of \$2,000 on personal items for
5 himself. Your Honor, after you've heard the evidence, there
6 will be no doubt in your mind that there was a scheme to
7 defraud and all the charged acts are in fact true.

8 THE COURT: Thank you. Counsel, do you want to make
9 your opening statement now or do you want to reserve?

10 MR. MCHUGH: I'm going to reserve, Your Honor.

11 THE COURT: All right. You can call your first
12 witness.

13 MR. SUROVIC: Your Honor, at this time, the government
14 will call Mr. Rufus Coburn.

15 COURTROOM DEPUTY CLERK: Please raise your right hand.

16 * * *

17 (*RUFUS THEODORE COBURN, III, Government Witness, Sworn.*)

18 * * *

19 THE WITNESS: I do.

20 COURTROOM DEPUTY CLERK: Have a seat, sir.

21 DIRECT EXAMINATION

22 BY MR. SUROVIC:

23 Q. Sir, would you state your full name please?

24 A. Yes, Rufus Theodore Coburn, III.

25 Q. And how do you spell Coburn?

1 A. C-O-B-U-R-N.

2 Q. And how are you currently employed, sir?

3 A. I'm really retired, but I'm volunteering to serve on the
4 Travis County Appraisal Review Board.

5 Q. Could you give the Court an idea of what your career has
6 been up to today?

7 A. Twenty-seven years in the United States Air Force,
8 commissioned officer retired with the rank of Colonel, flew
9 fighters, commanded large flying organizations, mobile tactical
10 communication units, four-year tour at headquarters Air Force
11 at the Pentagon. After that career, 17 years with the Texas
12 Veterans Commission, over the last ten years of which I
13 functioned as the assistant director and director for the
14 veterans education programs.

15 Q. Let's talk a little bit about your time with Texas Veterans
16 Commission. What is the TVC, Texas Veterans Commission?

17 A. That's a State commission that provides and oversees
18 services to veterans, eligible veterans and their dependents
19 and that really covers most of the veterans throughout the
20 state.

21 Q. What type of programs does it administer?

22 A. Oh, my goodness, quite a large -- probably the largest is
23 the Medical Division, which medical disability complaints and
24 as of about -- I can't tell you the exact figures today, but
25 that was 350, 400-odd people stationed throughout the state

1 providing those services to veterans. Also had while I was
2 there, we started the fund for veterans assistance which was
3 partially funded through the Texas Lottery which provided
4 assistance to all kinds of veterans programs throughout the
5 state, the Veterans Education Program which I managed for a
6 while which oversaw the administration of the Federal G.I. Bill
7 as well as the State veterans programs such as the Hazelwood
8 extension. Also had claims -- the other real important federal
9 program was the employment and unemployment programs for
10 veterans, primarily employment dealing with providing services,
11 employment services to veterans throughout the state with a lot
12 of emphasis on the disabled veterans.

13 Q. So there were a variety of different programs that are
14 administered through the TVC?

15 A. Yes, sir.

16 Q. Some of them are State, some of them are Federal?

17 A. They were a combination of the two. Both the employment
18 program was a State program that ran right along a Federal
19 program. The same thing with medical program and also with the
20 education program.

21 Q. What's the relationship between the TVC and the Veterans
22 Administration, the V.A.?

23 A. The TVC basically works hand in glove with the V.A. and the
24 programs that we just -- that I just enumerated. And in the
25 case of the education program, TVC and -- this is for all the

1 states. The states basically are the administrators of the
2 federal education program. In other words, we head the
3 approval authority for the various institutions, everything
4 from flagship university programs down to mom and pop
5 on-the-job training programs. The program was essentially
6 based on the Federal program providing the benefits to the
7 eligible veterans and those benefits were used at the approved
8 institutions.

9 Q. And you indicated that you performed some of those jobs as
10 far as education benefits. Could you describe for the Court
11 what duties you performed for the TVC while you were working
12 there?

13 A. Well, the duties I performed basically as the assistant
14 director and director, I managed those programs for the State
15 which in many cases was with the Federal program liaison to the
16 schools, there are specific criteria for approval of even the
17 flagship university system schools set out in Title 38 Code of
18 Federal Regulations which has to do with the programs which can
19 be approved, the veteran eligibility is addressed, the types of
20 programs, for instance, degree programs, certificate programs.
21 And there's different criteria for each. There's also criteria
22 as regards whether the program was accredited or not so that
23 they could, in fact, have nonaccredited programs approved.

24 Q. Let's talk a little bit about that. What different
25 categories of schools are actually eligible to receive G.I.

1 Bill benefits?

2 A. Just about any school.

3 Q. You mentioned flagship schools, that's our State
4 universities, right?

5 A. That's correct. And it can go down to, as I said, mom and
6 pop on-the-job training programs or formal on-the-job training
7 programs such as federally approved apprenticeship programs.
8 Nonaccredited schools which in many cases are schools that are
9 not accredited by a State accrediting agency, but which met the
10 criteria for training outlined in the Code of Federal
11 Regulations. So we had some schools that, for instance, the
12 school like a beauty and barber school, cosmetology school
13 regulated by the State Cosmetology Commission, but we had other
14 schools that didn't have a particular -- fall under a
15 particular State approving agency or an ancillary agency, a
16 sister agency to the Veterans Commission that approved those
17 and they basically enumerated the requirements for the school.

18 Q. When you say they basically enumerated the requirements,
19 who are we talking about as far as "they"?

20 A. In the case of something like the Cosmetology Commission,
21 the State Cosmetology Commission has rules for schools. For
22 those schools that are not regulated by a particular State
23 agency, if they applied for approval, they had to meet the
24 criteria outlined in Title 38, Code of Federal Regulations and
25 State law.

1 THE COURT: So let me ask you a quick question,
2 Colonel. Would these programs, putting aside the university
3 programs where somebody is going to get an accredited degree
4 and so forth, would these training schools, if I may use that
5 term, have to be schools that would lead to some sort of
6 potential gainful occupation or career? Or were they just like
7 somebody might take -- can somebody use their G.I. benefits to
8 go to an art appreciation program just because they wanted to?

9 THE WITNESS: One of the criteria for approval, sir,
10 is they had to lead to a vocational objective.

11 THE COURT: They had to lead to a vocational
12 objective. Thank you, Colonel.

13 BY MR. SUROVIC:

14 Q. Sir, we talked about these different types of schools.
15 What is the process for the approval of a noncollege degree,
16 non-accrediting institution?

17 A. First thing to have to happen would be the school would
18 have to contact the TVC and office there, Veterans Education,
19 and request an application. We had general applications based
20 on, of non-accredited schools, based on the criteria outlined
21 in the Title 38, Code of Federal Regulations. A couple of
22 other things that enter into that, it had to be licensed by a
23 particular State agency normally associated with the type of
24 vocation that the school was dealing with.

25 Trying to think of a real good example of that other

1 than something we had several -- well, I'm thinking about
2 non-accredited apprenticeships which is not really the same
3 thing, but the criteria basically was laid out the same way.
4 So if you had a school, it had to have a structured program.
5 Code of Federal Regulations outlines attendance criteria,
6 outlines academic progress, that has to be defined, so the
7 school has to have structure. And the outlines that we sent,
8 they request for school approval, basically was a
9 fill-in-the-blank form where the school would state what their
10 vocational objective was, explain their physical plan they had,
11 the curriculum that they were offering, and so forth and
12 finally vocational objective which that led to.

13 Q. And if they filled out this form and they met all the
14 requirements, would TVC be the agency that would actually
15 approve them?

16 A. That form would be sent back to TVC Veterans Education.
17 Normally this was an iterative process. I don't recall in my
18 tenure that we had any school complete the form absolutely
19 100 percent complete and correct the first time out. I like to
20 use the term "iterative process". Our staff tried to work
21 directly with the school officials to ensure that the
22 criteria -- if it was a question on it, it could be discussed,
23 it could be sorted out and if we could figure out a way that
24 within the parameters of the Code of Federal Regulations that
25 we could approve the school, we would. So it was an iterative

1 process that ultimately led to the approval. Once the school
2 was approved, we did staff assistance visits to the school.
3 Normally we try to go to all the schools at least once a year.
4 Because of the size of our staff and the number of schools we
5 had, that was virtually impossible. But we did try to get to
6 most of them over a period of two or three-year period. And
7 when we would visit the school, we would do a staff assistance
8 visit, it wasn't really an audit. We took a look at the
9 catalog which we had approved. We compared that catalog with
10 what the school was actually doing to assure that they were
11 providing the training that they allege they were providing in
12 the manner they said they would provide and that those criteria
13 still met the approval criteria and the Code of Federal
14 Regulations. We also looked at the enrollment process for the
15 veterans because the enrollment and the time that the veteran
16 student spent hour-wise at the school was a direct impact on
17 what the veteran would get paid and what the school would get
18 paid from the V.A. So we looked at that part, the financial
19 part of it as well and there was a formal report prepared on
20 that and that went back into the end of the school files. If
21 we identified deficiencies, we tried to work with the school to
22 ameliorate those deficiencies. And the overall thrust was to
23 have as broad and wide diverse opportunity for education
24 experiences for veterans in the State of Texas as we could, so
25 we worked really hard to -- we work with schools that were --

1 if they were having problems meeting some of the criteria, we
2 would try to work with them to help them be able to achieve the
3 approval standard.

4 Q. I'm going to show you Government Exhibit Number Five. And
5 you should be able to see it on the screen in front of you?

6 A. Yes, sir.

7 Q. Is this the letter that you would send out, the form to
8 provide people who had requested information with the
9 application so they could start the process?

10 A. Yes, sir, this is part of the cover letter.

11 Q. And if we go to page two, this is the beginning, this is
12 for non-accredited institutions, correct?

13 A. Yes, that is the cover sheet for the approval packet for
14 non-accredited schools.

15 MR. SUROVIC: And if we go to page five, if you can
16 zoom in on Exhibit Two.

17 A. And this is a list of what we call exhibits, but this is a
18 list of the subtitles and the information that the school would
19 be requested to submit.

20 Q. And they were told up front these are the things that you
21 have to provide us?

22 A. That's correct.

23 Q. Now, if we go down to section 2j, can you read what J says?

24 A. J says, quote, Roster of administrative and instructional
25 staff with credentials or license numbers.

1 Q. How important a section was that section? I assume all the
2 sections are important?

3 A. All the sections are important, but that was particularly
4 important because we had no other way of verifying the
5 qualifications of the instructors at the various schools. In a
6 case like a cosmetology school, there's State licensing
7 requirements. For other types of schools, for instance, flight
8 school, there are Federal licensing requirements as a flight
9 instructor. If there were other types of local or State or
10 Federal level license, then we would require that.

11 Q. And you would not -- if you didn't give this information,
12 you would not get approval, is that fair to say?

13 A. That's correct.

14 Q. In the course of your work for TVC, did you become aware of
15 a business by the name of Universal K-9?

16 A. Yes, we did.

17 Q. How did you become aware of Universal K-9?

18 A. Universal K-9 applied and I'm not exactly sure the year, I
19 want to say around 2014 maybe, but anyway they applied
20 initially as many schools apply. Their initial application was
21 deficient in many ways and we tried to work with them. And as
22 I recall, that went on over a matter of several months, even as
23 much as a year, maybe little over a year. It was an iterative
24 process, it was not as smooth as some might be, but we after I
25 would say after fairly extensive interaction, we did get them

1 approved and I think in part that is due to the fact the Texas
2 Workforce Commission worked very closely with Universal K-9 to
3 help them craft a catalog that fit the requirements that we had
4 for Veterans Education.

5 Q. Okay. In the course of working on the approval for
6 Universal K-9, did you meet an individual by the name of Brad
7 Croft?

8 A. Personally, no. I talked to him on the phone many times.
9 I don't recall if we e-mailed back and forth, but we talked on
10 the phone quite a few times.

11 Q. Did you ever deal with anyone other than Brad Croft
12 concerning the approval for Universal K-9?

13 A. Not for the school approval. Now, we did work with,
14 because the school was not approved as a school or formally
15 exempt, we had interaction with Texas Workforce Commission in
16 their capacity as the approval authority for non-accredited
17 schools, but we worked with them with many other schools as
18 well.

19 Q. Did you ever deal with anyone other than Brad Croft that
20 actually was from Universal K-9 in order to get the approval?

21 A. Not to my knowledge.

22 Q. Why do you remember the process of Universal K-9 so well?
23 I'm sure you used to do a number of these every year.

24 A. Well, it was a little turbulent.

25 Q. What do you mean by that?

1 A. Normally the process was that we would send the form out,
2 forms would be returned, our program staffer would work with
3 the school. And as I said, it was an iterative process. It's
4 not something -- it's fairly complex, it's fairly extensive.
5 Universal K-9 sent in, oh, for some of the exhibits that we
6 wanted particular information on, they kind of skirted the
7 edges of it, there were indirect answers and indirect
8 responses. We worked back and forth with that with them and
9 also including working with the Texas Workforce Commission. We
10 had I do recall one phone call where Universal K-9's owner
11 called the --

12 Q. Who would Universal K-9's owner have been?

13 A. Mr. Croft. Called the Governor's Office and the result of
14 that was we had a conference, telephone conference call with
15 staffers from the Governor's Office. And during that
16 conversation, Mr. Croft's inputs became quite heated and I
17 would say really to the point of totally getting out of hand.
18 But that happened. The result of that call I think was pivotal
19 in the approval and that is we had representatives from the
20 Governor's Office, we had Mr. Steve Rye from Texas Workforce
21 Commission, myself and I don't remember the other party, maybe
22 another person from the Governor's Office. But after that and
23 largely to Mr. Rye's concern and help, he and Mr. Croft sat
24 down and crafted a catalog which met the criteria that we
25 needed one for catalog approval and we did, in fact, approve

1 that.

2 Q. Okay. Now, in the process that you went through, you
3 indicated it took a period of time. Notes were kept by members
4 of the staff at TVC in order to track the progress of this?

5 A. Yes, sir.

6 Q. And document the exchanges back and forth of that, correct?

7 A. Yes, sir, it was.

8 Q. By the way, have you ever heard the name -- other than in
9 conversation with me or with the agents, have you ever heard
10 the name of Richard Cook before?

11 A. I can't say that I have, sir.

12 Q. Could you explain for us who is Bebe Glasgow?

13 A. Ms. Glasgow was one of my employees. She was what we call
14 a program specialist and she was the program specialist
15 assigned to handle Universal K-9.

16 Q. Could you tell us who Ms. Sue Jevning?

17 A. Ms. Jevning was I believe about the second or third
18 replacement director for the Veterans Education Program after I
19 retired.

20 Q. So she was one of your successors?

21 A. Yes.

22 Q. And what about Anita Chisholm?

23 A. Anita Chisholm was another program specialist we had who,
24 as I recall, when Ms. Glasgow left, Ms. Chisholm picked up part
25 of the caseload that Ms. Glasgow had.

1 Q. I'm going to show you what's been marked as Government
2 Exhibit Number 6i, sir. Can you tell us what this is?

3 A. Okay, this looks like a chronology of the -- well, it's a
4 complete timeline, yes, it's a chronology of the approval
5 application process between TVC Veterans Education and
6 Universal K-9.

7 Q. And was this maintained as part of the actual file in the
8 case? It came out of the TVC files?

9 A. It came out of the TVC files, yes, sir.

10 Q. This is dated -- there's a number on the top, 11/30/2015,
11 can you tell us what that indicates? Would that be the date
12 that this was placed in the file?

13 A. That could well have been, yes, sir.

14 Q. I note that it talks about if you go down to the third
15 paragraph, first application January 18, 2013, is that correct?

16 A. Best of my knowledge, I would say it is, coming out of the
17 files, because we kept extensive and accurate files.

18 Q. Let's take a look at Government Exhibit 6a. Is this that
19 first application from January 18th?

20 A. Well, it's stamped received January 18th and with the State
21 approval agency stamp which was our office -- State approval
22 agency was the Federal function that we had, so all our stuff
23 was stamped in, so I would say yes, that's accurate.

24 Q. Okay. Can you tell me who is listed as the contact or the
25 owner for this business? Who is listed as a contact first?

1 A. The contact is Brad Croft.

2 Q. And who is the owner?

3 A. This lists the owner as Stan Schnitzer.

4 Q. Did you ever have any contact with Mr. Stan Schnitzer?

5 A. Never did.

6 Q. If we go to page three of this document, can you tell me
7 who signed, if we go down to the very bottom, who signed the
8 application?

9 A. This appears to be Brad Croft.

10 Q. And it seems to be dated 12/12 since it was received
11 January 18th, would it be safe to say that this was originally
12 filed in December of 2012?

13 A. I think that would be accurate, sir.

14 Q. If we could go to page 27 of Government Exhibit 6a, can you
15 tell us what this page is?

16 A. This is one of the exhibits we have at what we call the
17 school catalog, which the school catalog would be the document
18 that outlined the description of the school, the curriculum
19 involved and instructors as well. So this is roster of
20 administrative and instructional staff that would be approved
21 or offered for approval with the school as part of the school
22 as instructors for the school.

23 Q. So this would be Exhibit J, when we looked at Exhibit Five,
24 the basic application under section two, this would be Exhibit
25 J of that section two?

1 A. That's correct, yes, sir.

2 Q. What we were talking about as far as who was going to be
3 the instructors or the administrative staff?

4 A. Yes, sir.

5 Q. Who are the names listed here?

6 A. Ray Nunez and Jesse Stanley.

7 Q. And they are -- this indicates what courses they're going
8 to be teaching?

9 A. Yes, it does. It indicates their duties would be to teach
10 class, train dogs, courses would be police K-9 handlers course
11 and police K-9 trainers course for each one.

12 Q. And again if we go to the bottom of the screen, who is this
13 signed by?

14 A. That is Brad Croft, dated 12/12.

15 Q. If we go back to Government Exhibit Number 6i, the
16 timeline, and if you look under the first application, what
17 reason was given for the first application not being accepted?

18 A. First application 23 January 2013, TVC response after
19 evaluating program not approved primarily due to Universal K-9
20 having no permanent facility as well as participation of third
21 party contractor who is not approved for Veterans Education,
22 other deficiencies were not addressed.

23 Q. Now, if we go to the next line down there, it talks about a
24 second application, is that correct?

25 A. Yes, yes, sir.

1 Q. Is this the process that an application would normally go
2 through that deficiencies would be identified and then a new
3 application would be generated?

4 A. Yes, sir, as I mentioned, it was an iterative or is an --
5 I'm pretty sure it still is an iterative process, hopefully
6 culminating in school approval and with the school adhering to
7 the requirements for approval.

8 Q. Let's take a look at Government Exhibit Number 6b real
9 quick. We talked a little bit about what was on the timeline.
10 Can you tell us what 6b is?

11 A. This appears to be a response --

12 (Pause.)

13 This is a response by an employee of Universal K-9 to get
14 more information or additional information to assist with the
15 approval, I believe.

16 Q. And this was in response to the e-mail dated March 8, 2013?

17 A. That would have been an e-mail outlining deficiencies to be
18 addressed.

19 Q. Let's take a look now at Government Exhibit Number 6c.

20 Excuse me. Before we move on, let's go back to 6b real quick.

21 You said this was an e-mail addressing some discrepancies?

22 A. This would have been -- well, it appears to be -- that's
23 what it appears to be. It seems that Ms. Santos says, "I
24 prepared a detailed letter of documentation --"

25 That would have been in response to what we would call a

1 deficiency letter which would be a letter outlining a
2 deficiency still that the school had not satisfied regarding
3 the approval process.

4 Q. And if we jump to page 65 of that exhibit, 6b, can you tell
5 me what this is?

6 A. This is roster of administrative and personnel staff,
7 similar to what we just reviewed on probably an earlier
8 rendition of this that only had Mr. Nunez and Mr. Stanley.

9 Q. And so this now has an expanded list of instructors, is
10 that correct?

11 A. That's correct.

12 Q. And this was actually e-mailed with the e-mail that we
13 looked at the cover on 6b, is that correct?

14 A. Well, if it had a date stamp on it, I could verify that,
15 but from what part of it we see, I would assume it is.

16 Q. We can walk you through the entire exhibit if that would
17 help you?

18 A. That's fine. If it's got a date stamp on it, it would have
19 probably come in all at the same time or in response to a
20 certain date.

21 Yeah, that's fine.

22 Q. And this again is signed by who at the bottom?

23 A. Brad Croft.

24 Q. Let's go to 6c. Can you tell me what this is?

25 A. This appears to be another later application.

1 Q. Okay. And --

2 A. And that would be the first page of the application.

3 Q. And if we go to the second page, you can actually see the
4 received stamp. Can you tell me what the date is here?

5 A. September 30, 2013.

6 Q. So would this be the second application that is referred to
7 in the timeline?

8 A. Appears to be.

9 Q. Who is listed as the contact on this?

10 A. Well, Brad Croft.

11 Q. And who is listed as the owner again?

12 A. Stan Schnitzer.

13 Q. If we go to page three of the application, who signed the
14 application again?

15 A. Brad Croft.

16 Q. Now, let's go to page 46 of this application. Can you tell
17 me what this is?

18 A. This is a roster of administrative and instructional staff,
19 so these are going to be the folks who are teaching the
20 programs.

21 Q. And it is essentially the same as the one we just looked at
22 on 6b, is that correct?

23 A. Yes, sir.

24 Q. And who signed this?

25 A. Again Brad Croft.

1 Q. And the individuals named here are who?

2 A. Brad Croft, Ray Nunez, Jesse Stanley, Chris Tillman.

3 Q. In this, normally where would you attach the certificates
4 of training and things like that?

5 A. They would be behind this because we get the roster
6 personnel and then the qualifications of those personnel would
7 be attached behind that.

8 Q. So if we open this up, we go to the next page, what is
9 this?

10 A. This would be documentation of the credentials for the
11 individual instructor.

12 Q. Now, this is just a resume for Bradley Croft, is that
13 correct?

14 A. That's correct.

15 Q. If we go to the next page, which is the second page of the
16 resume, that would not qualify as a certification, would it?

17 A. No.

18 Q. This is just a resume?

19 A. It's just a resume.

20 Q. We go to the next page, same thing, this is a resume for a
21 different individual, is that correct?

22 A. It appears so.

23 Q. And who is that individual involved here?

24 A. That is Raymundo Nunez.

25 Q. And then we can skip the next page, go on to page 51. What

1 is this?

2 A. Appears to be a similar outline for Jesse Stanley, Jr.

3 Q. Again it's just a resume, there's no certificates attached?

4 A. That's correct.

5 Q. And if we go skip the next page, on page 53 we have another
6 resume, is that correct?

7 A. That appears to be the same for Christopher Tillman.

8 Q. Once again, there are no certificates, is that correct?

9 A. That's correct.

10 Q. Then if we skip the next page again, what is this?

11 A. This appears to be a similar resume for Arthur L.
12 Underwood.

13 Q. And this was received by your agency September 30, 2013, is
14 that correct?

15 A. Yes, sir.

16 Q. And he is listed as the K-9 lead trainer, is that correct?

17 A. That's what it says, yes, sir.

18 Q. Okay. And if we show the next page, and show the next
19 page, there are no certificates attached to section J, is that
20 correct -- or Exhibit J?

21 A. That's correct.

22 Q. So had Mr. Croft met the requirements for submitting your
23 certifications for the potential instructors?

24 A. We would have wanted a copy of certificates, at least maybe
25 not a copy of everyone that was listed, but at least a copy of

1 at least one certification of per person so that we would know
2 that they were certified in addition to the resume.

3 Q. Would that have been communicated to Mr. Croft?

4 A. I would imagine it would. I can't imagine why it would not
5 have been.

6 Q. If we go on back to Government Exhibit 6i, we'll see a
7 number of comments underneath the second application. If you
8 could just take a look at those real quick. Was it common to
9 go back and forth and back and forth as you described?

10 A. Yes, sir.

11 Q. That's what's going on with the second application, is that
12 correct?

13 A. That's correct.

14 Q. Then we go down to the heading, third application. Before
15 we get there, let's show you Government Exhibit 6d. Can you
16 tell me what this is?

17 A. This looks like another application with -- I'm looking for
18 the date on this one. Second submission 10/13. So this looks
19 like another redone application to come in for additional
20 iteration with corrections.

21 Q. And there are a number of notes actually attached to this,
22 is that correct?

23 A. That's correct.

24 Q. Is that normal that when people are reviewing these,
25 they'll make notes as far as the deficiencies they see?

1 A. Yes, and it is -- generally it is formalized in the letter
2 back, but if it is -- in some situations where there is a
3 continuing conversation between the school official and the TVC
4 Veterans Ed. Office, a lot of things like that are discussed
5 and merely notes like this -- discussed over the phone and
6 notes like this go in the record as the memo. So it could have
7 been either of those, but again the intent is to provide the
8 school an adequate amount of information so that they can
9 provide correct content back and so that the TVC could approve
10 them. If they don't have it and we get to that point where the
11 or we would get to that point where the school just said, well,
12 you know, we can't do that for whatever reason, then you know,
13 we thank them for their efforts and that's it. We are not able
14 to approve the school.

15 Q. Okay. Now, I notice that there's a sticky at the top of
16 the first page of 6d, says second submission 10/21/13?

17 A. Yes, sir.

18 Q. If we go back to Government Exhibit 6i, what does the
19 timeline indicate as far as October 21st, 2013?

20 A. Okay, response to 10/3/13 letter received from Universal
21 K-9, Universal K-9 provided answers to part of the identified
22 deficiencies. Universal K-9 submitted an exception from TWC
23 which allowed the company to train students under contract
24 basis only. Exception does not -- well, you want me to read
25 the whole thing?

1 Q. Yes, please.

2 A. In parentheses it says, "Area police departments and
3 military units send their currently employed K-9
4 officers/service members for training at company/military
5 expense. Exception does not allow for students admitted from
6 the general public, as required by 38 CFR, Code of Federal
7 Regulations."

8 Q. That last part of that statement, what does that mean?

9 A. Well, that means that the program is not open to the
10 public, that it cannot be approved for veterans training.

11 Q. So anyone that applies has to be able to get in for it to
12 qualify for G.I. Bill funds?

13 A. That's correct.

14 Q. Let's go back to Government Exhibit 6d, let's look at page
15 101 -- first of all, 6d we just talked about the cover of this,
16 is that correct?

17 A. Yes, sir.

18 Q. Let's go to page 101 of this document, can you tell me what
19 this is?

20 A. Okay, again this appears to be a later iteration of the
21 roster of administrative and instructional staff that would go
22 into the catalog approval and approval process for the school,
23 again it outlines to the left the name of the individual,
24 duties assigned, license number and it lists see attached
25 license.

1 Q. Now, there are two notes attached there, is that correct?

2 A. That's correct.

3 Q. The first note is what?

4 A. First note says, "All contract employees."

5 Q. What does that mean?

6 A. Which means they are not -- basically they're not assigned
7 as school staff. That means they're not part of the school,
8 that they are external and the school has brought them in.
9 Then it says, "License is actually issued to school."

10 And I can't read -- there we go.

11 Q. There's apparently some question there as far as what it
12 says?

13 A. Something Ks and then yes. And I'm not sure what that is.

14 Q. Now, if we turn to the next page -- by the way, these are
15 the same individuals that Mr. Croft had been talking about for
16 the last couple applications, is that correct, himself and
17 three other individuals?

18 A. That's correct.

19 Q. Who has signed off on this?

20 A. Brad Croft.

21 Q. If we go to the next page, what is this?

22 A. This appears to be a letter from the Texas Department of
23 Public Safety, Texas Private Security Bureau and it is to
24 Universal K-9. "Dear manager, Find enclosed pocket card for
25 individuals listed below. As licensed manager it is your

1 responsibility to check all the information on pocket card for
2 correctness --"

3 THE COURT: You're reading too fast, sir.

4 THE WITNESS: I apologize, I slipped back into that.

5 BY MR. SUROVIC:

6 Q. Let me ask you this, sir. Would this be a certificate, as
7 far as the TVC is concerned?

8 A. No, I don't think so.

9 Q. Can you tell us why not?

10 A. Well, it says -- it talks about being a manager, a licensed
11 manager. It doesn't talk anything about -- doesn't say school
12 at all. It doesn't talk about instruction.

13 Q. And if we go to the next page, it says the same thing
14 except for another individual, is that correct?

15 A. That's correct.

16 Q. This was for Chris Tillman?

17 A. Yes, sir.

18 Q. And there are two other exhibits in there if we go on to
19 the next two pages, same thing?

20 A. Uh-huh.

21 Q. They all talk about being managers, they don't talk about
22 dog handlers?

23 A. That's correct.

24 Q. If we could go back to Government Exhibit Number 6i, you
25 see there's an entry following this the October 21st entry,

1 November 12th entry. Can you tell us what that says?

2 A. Third application --

3 Q. Right before that.

4 A. "November 12th, TVC response, approval denied primarily due
5 to the fact that the TWC exception does not allow Universal K-9
6 to offer training to the general public. In addition,
7 Universal K-9 has no permanent facility, Code of Federal
8 Regulations, CFR, does not allow for approval of a mobile or
9 itinerant program as Universal K-9 submits their program to
10 be."

11 Q. So as far as November of 2013, they still did not have
12 approval, is that correct?

13 A. That's correct.

14 Q. Looking at the timeline, there seems to be a jump to June
15 of 2015 for the next application coming in?

16 A. Yes, sir.

17 Q. Is that correct?

18 A. Yes, sir, to the best of my recollection.

19 Q. Do you know what was going on during that period of time?

20 A. Actually at that point, as far as the school was concerned,
21 I don't know that we had any interaction with them. And that
22 might not be unusual, especially with somebody starting a
23 school. Sometimes it takes longer to get the process lined up
24 and to address deficiencies. Normally we ran on a 30-day
25 cycle, we would notify if we had had interactions with the

1 school, we would have notified them, but if we had not received
2 any response back after a couple tries, we probably would have
3 just let it drop and assume they would reapply when they became
4 compliant or just dropped the whole request.

5 Q. Let's take a look at the application sent in on June 2015,
6 Government Exhibit 6e. Is this that application or third
7 application?

8 A. Yes, sir. It appears so.

9 Q. And if we go to page four, this would be the cover page
10 we've been looking at from the other applications, is that
11 correct?

12 A. Yes, sir.

13 Q. Who is listed as the contact point for the third
14 application?

15 A. Brad Croft.

16 Q. And who is listed as the owner for the third application?

17 A. Stan Schnitzer.

18 Q. Once again if we go to the next two pages, go to page six,
19 and at the bottom who signed this application?

20 A. Brad Croft.

21 Q. And it was submitted June 13th of 2015, is that correct?

22 A. That is correct and the receipt date was the 16th,
23 June 16th.

24 Q. Now, let's go to Exhibit 6e, page 33. What is this again?

25 A. This is again the roster of administrative and

1 instructional staff.

2 Q. And it's pretty much the same as the one that was on the
3 2013 application?

4 A. That is correct, yes, sir.

5 Q. And if we go to the bottom, who is it signed by?

6 A. Brad Croft.

7 Q. Now, if we turn the page on this, go to page 34, this is
8 something a little different, this is not a certificate, is it?

9 A. No, sir, it's not.

10 Q. And if we go to the next page, this is a table of contents,
11 isn't that right?

12 A. Table of contents for probably the catalog or information
13 that was submitted.

14 Q. So in this application they jumped immediately from the
15 listing of names to the catalog. Were they required to provide
16 you with a catalog of their school?

17 A. The catalog, yes, and the catalog it generally can take --
18 for a non-accredited school, it can take a variety of forms, it
19 doesn't necessarily need to be, you know, published and bound,
20 it can be loose-leaf binder at least to describe the programs
21 and the courses that comprise those programs in detail.

22 Q. Okay. Let's take a look at Government Exhibit 6j. Can you
23 tell us what this is?

24 A. This looks like another deficiency letter or an excerpt
25 from a deficiency letter sent from Veterans Education back to

1 Universal K-9 to get additional information regarding the
2 information they provided.

3 Q. And if we go to page four of that list of items, on page
4 four at the top there's an indication about an Exhibit J. Can
5 you read that for us?

6 A. Yes, sir. Exhibit J. "Positions referenced in catalog are
7 not listed on Exhibit J. The request lists all administrative
8 as well as instructional staff. The license number listed for
9 the instructors, listed on this exhibit is the number issued to
10 the company. Please submit an Exhibit K for each instructor."

11 Q. So would it be fair to say that this notified the company
12 specifically that they needed to provide certificates for the
13 individuals they were claiming as instructors?

14 A. Explicitly, yes, sir.

15 Q. Let's go to Government Exhibit 6f. Now, this is also out
16 of the Texas Veterans Commission files, is that correct?

17 A. It appears so, yes, sir.

18 Q. Can you tell us what this is?

19 A. This would be the response from Mr. Croft to Ms. Glasgow's
20 what we would call the deficiency letter, but the letter
21 identifying the issues yet to be resolved.

22 Q. That was the thing we just talked about?

23 A. Yes, sir.

24 Q. This is an e-mail, is that correct?

25 A. It appears so, yes, sir.

1 Q. So it was sent electronically by Brad Croft to -- can you
2 read the names there that it was sent to?

3 A. To Bebe Glasgow, Veterans Affairs, Rufus Coburn and Daniel
4 Paulino.

5 Q. Who is Daniel Paulino?

6 A. I have no idea, sir.

7 Q. What is the date of this?

8 A. October 4th, 2015.

9 Q. Did this e-mail also contain a number of attachments?

10 A. Well, it appears so.

11 Q. Including a revised catalog and a number of other exhibits,
12 Exhibit F, Exhibit J, instructor, etc.?

13 A. Yes, sir, it appears to most likely reference what was
14 listed in Ms. Glasgow's deficiency letter.

15 Q. And if we scroll down, you'll see paragraph seven
16 specifically talks about Exhibits J and K, is that correct?

17 A. That is correct, yes, sir.

18 Q. And can you tell us this is essentially addressing some of
19 the discrepancies that were found, is that correct?

20 A. Yes, sir, it appears so.

21 Q. If we read 7b, could you read that for us?

22 A. Yes, "7b, Instructor certifications are enclosed herein."

23 Q. And then in parentheses?

24 A. "See Texas Commission On Law Enforcement certification
25 (T-C-O-L-E) for Universal K-9 Academy's curriculum supervisor,

1 Corporal Wesley Keeling and instructor Dustin Bragg."

2 Q. Then it goes on to say?

3 A. "Below is a brief description of the credentials and
4 certifications of Universal K-9 Academy's four instructors."

5 Q. Who is it -- when we go on, who does it identify as the
6 various instructors?

7 A. It identifies Wes Keeling. It identifies Dustin Bragg, Art
8 Underwood, Jesse Stanley.

9 Q. I believe that's all?

10 A. And that's all.

11 Q. And it also goes into -- for example, why don't you read
12 Wes Keeling?

13 A. "Wes Keeling, TCOLE instructor cert. 2014. In the
14 following areas to give instructions, K-9 interdiction, dual
15 and single-purpose handlers course, K-9 trainer/instructor
16 course, behavioral modification course.

17 Q. So that indicated that he was going to be teaching those
18 courses?

19 A. That would indicate to me that he is qualified in those
20 courses to instruct.

21 Q. And if we go down to Art Underwood, could you read that
22 please?

23 A. Yes, sir. "Art Underwood, military trainers cert. 1977
24 U.S. Air Force, military kennel master cert. 1981, Air Force
25 trained in the following areas to teach, dual and

1 single-purpose handlers course, trainer/instructor course,
2 behavioral modification course, kennel master course.

3 Q. Okay. Sir, and again this letter or this e-mail is
4 advising you that these four individuals will be teaching these
5 courses or they're qualified for these courses?

6 A. Yes, sir.

7 Q. And in fact, it even goes so far as to identify Mr. Wes
8 Keeling is going to be the Academy's curriculum supervisor?

9 A. Yes, sir.

10 Q. Then if we go to 6f, page 69 I believe, can you tell us
11 what this is?

12 A. This again is a roster of administrative and instructional
13 staff.

14 Q. And who is listed as the -- on the roster as administrative
15 and instructional staff?

16 A. Wes Keeling is listed twice, Jesse Stanley, Art Underwood,
17 Brad Croft and -- Brad Croft is listed as operations director,
18 Richard Cook as office manager. Wes Keeling, Jesse Stanley,
19 Art Underwood as instructors.

20 Q. And then if we turn the page, the next page, would this be
21 considered a certificate, the type of certificate that you were
22 looking for?

23 A. Yes, sir, it would.

24 Q. And if we keep going through here, that's a certificate for
25 Wesley Keeling, is that correct?

1 A. That is correct.

2 Q. Then the next one, who is this one for?

3 A. This one is for Arthur Underwood.

4 Q. Air Force certificate of training?

5 A. Yes, sir, that looks like an Air Force certificate of
6 training.

7 Q. And then if we go to the next page?

8 A. That's same thing, yes, sir.

9 Q. It's a different certificate, but also --

10 A. Different certificate, but it also looks like a Air Force
11 certificate of training.

12 Q. Okay. And this also for Mr. Underwood?

13 A. This is for Arthur Underwood, yes, sir.

14 Q. And we go to the next page, another certificate of training
15 for Mr. Underwood?

16 A. Yes, sir.

17 Q. And we go to the next page, Federal Law Enforcement
18 Training Center, Glencoe, Georgia. Certificate for
19 Mr. Underwood, is that correct?

20 A. Yes, sir, that's correct.

21 Q. So these are all Mr. Underwood's certificates?

22 A. Yes, sir.

23 Q. And we've got another page, what is this?

24 A. This is another certificate for Mr. Underwood.

25 Q. And then the next page?

1 A. Is another certificate for Mr. Underwood.

2 Q. There were a number of certificates that were submitted for
3 Mr. Underwood, is that correct?

4 A. Yes, sir, apparently so.

5 Q. Let's jump ahead about four pages. What is this?

6 A. This appears to be a Texas Commission On Law Enforcement,
7 officer standards and education award for instructor
8 proficiency for Dustin C. Bragg.

9 Q. That was another of the individuals mentioned on the
10 original paper?

11 A. Yes, sir.

12 Q. And just go through a couple more pages here. If we could
13 skip to four more pages, can you tell us what this is?

14 A. This is Air Force certificate of training for Jesse
15 Stanley.

16 Q. And the next page, can you tell us what that is?

17 A. This is a military police school. And I was looking to
18 see, Lackland Air Force Base, so another Air Force certificate
19 of achievement to Jesse Stanley.

20 Q. And then there are other certificates contained in the
21 packet for Mr. Stanley, is that correct?

22 A. Yes, sir, I believe there were.

23 Q. All these things would have been e-mailed to the TVC?

24 A. That's correct.

25 Q. Are these type of certificates the type of certificates

1 that you're looking for in order to validate the instructors?

2 A. Generally, yes. In some cases, one would have to take a
3 look and see the applicability if there's a direct relationship
4 to the course being taught or the proficiency that is being
5 sought. Some certificates just from -- in the military you can
6 get certificates for lots of different things and some things
7 really don't translate to instructional capability or being
8 able to teach something, so those which were for teaching
9 credentials and so forth would be acceptable, yes. The others
10 just because they attended a school or a particular skill
11 training might not be applicable.

12 Q. Would you have or would the program have been able to
13 approve Universal K-9 without providing some sort of
14 certification for the instructors?

15 A. No, we would not because we would have no way of verifying
16 they were qualified to teach what they were supposed to be
17 teaching.

18 THE COURT: Is this a good time to break for lunch?

19 MR. SUROVIC: We can, Your Honor, certainly.

20 THE COURT: Well, it's 20 minutes after noon.

21 MR. SUROVIC: Yes, sir.

22 THE COURT: We'll return at 1:30, about 1:40.

23 COURT SECURITY OFFICER: All rise.

24 THE COURT: Colonel, you can step down. Be careful.

25 (12:19 p.m.)

* * *

(2:02 p.m.)

COURT SECURITY OFFICER: All rise.

THE COURT: Please be seated. The Court would note the presence of all counsel.

I just wanted to get something cleared up, counsel.

We're going to have to break a little early tomorrow for lunch and it may take a little longer because tomorrow is the Federal Bar Luncheon. What is it, every month?

MR. SUROVIC: Yes, sir. You're the speaker.

THE COURT: Yes. I mean I can't skip it. Laura is going to check and see what time it is and where it is and how long it will take us to get there and I'm not going to be hanging around afterward to hobnob. I'm going to be getting right back.

MR. SUROVIC: If I remember the invitation correctly, it was from 12 to 1:00. You'll certainly leave here by 11:30. I don't think we could expect you to be back before 1:30, that's what was going on in my mind.

THE COURT: I wanted to let you know ahead of time because of witnesses.

MR. SUROVIC: Okay.

MR. MCHUGH: Your Honor, to bring to the Court's attention, the defendant has supplemented his defendant exhibit list, the Court has a binder. Counsel only received the binder

1 today. The information which would be relevant to Mr. Coburn
2 would be e-mails of which all were received from and through
3 the government. And we consider it -- it may be possible
4 impeachment, but I think he'll agree to his own words.

5 THE COURT: Whatever it is, it is.

6 MR. SUROVIC: Yes, sir. And I don't think it's going
7 to be an issue as far as -- I've told Mr. McHugh if the
8 document came from us, we certainly don't have an issue as far
9 as authentication. I just wanted to make sure that he let
10 Priscilla be aware of that because I don't think they're on
11 Jurors. The last exhibit list that I have ends with Defense
12 Exhibit Number 10. I'm now advised there are 44 defense
13 exhibits numbered one through --

14 COURTROOM DEPUTY CLERK: I only have ten.

15 THE COURT: Mr. McHugh, you need to get them to her so
16 she can mark them.

17 MR. MCHUGH: We will, Your Honor.

18 MR. SUROVIC: Of that 44, certainly some of them are
19 e-mails. Just looking through the binder right now, there are
20 others that are not that we may have objections to, so we're
21 not agreeing to all of them.

22 THE COURT: She's just marking them. She's not
23 admitting them in evidence. You can proceed. Where is the
24 witness?

25 (Pause.)

1 BY MR. SUROVIC:

2 Q. Sir, I need to remind you that you're still under oath.

3 A. Yes, sir, I understand.

4 Q. We had ended before lunch talking about the third
5 application and some of the factors that got it kicked back and
6 an e-mail that was sent. I would like to have you look again
7 at Government Exhibit Number 6i, the second page of that
8 exhibit. And this indicates a certain timeline as far as what
9 went on after the third application, is that correct?

10 A. Yes, sir.

11 Q. Could you summarize for us what happened after the third
12 application?

13 A. Okay, I think the cogent point here is the fact that the
14 involvement of the Governor's Office in the approval process
15 and that resulted in a rather extensive telephone conversation
16 between Texas Veterans Commission, Mr. Steve Rye, the
17 Governor's Office at that time, Craig Bean and I don't remember
18 the name of -- there was a lady who was on that call, I don't
19 remember her name and Mr. Croft and myself. And the whole
20 purpose of that was to try to determine what it would take to
21 get Universal K-9 approved. And the result of that was, to my
22 recollection, that Mr. Rye with TVC sat down with Mr. Croft and
23 they crafted a catalog which we ultimately approved.

24 Q. Okay. Now, you indicated Mr. Rye, you're talking about
25 Steven Rye?

1 A. Yes, sir.

2 Q. Who does he work for?

3 A. Texas Workforce Commission. I may have misspoke. I may
4 have said Veterans Commission, but it's Workforce Commission.

5 Q. How did the Texas Veterans Commission, Texas Workforce
6 Commission work together to finally get this resolved?

7 A. Once the catalog was completed, then it was submitted to
8 us, Mr. Croft submitted it and we staffed it and the -- it met
9 the, as I recall, it met the requirements that we had for
10 approval.

11 Q. So there was a fourth application that was filed, is that
12 correct?

13 (Pause.)

14 Let me show you Government Exhibit Number 6g. And if we
15 turn to the second page, and if you go down, can you tell us
16 what 6g is?

17 A. Yes, sir, that's application which was received on the 4th
18 of March, 2016.

19 Q. This was the application that was received after you had
20 had the discussions with Texas Workforce Commission and after
21 Mr. Croft --

22 A. That's correct, yes, sir.

23 Q. Can you tell us if we look at this page who is the contact
24 point again for this application?

25 A. The contact point on this is listed as Brad Croft.

1 Q. And then if we move down, the name of the owner, who is the
2 owner?

3 A. This says owner is Richard Cook.

4 Q. And there's a box below that, it lists all partners or if a
5 corporation all officers, directors and trustees, is that
6 correct?

7 A. Yes, that is correct, sir.

8 Q. Can you tell us who is listed in that box?

9 A. Richard Cook, president, Anthony Ward, secretary, Steve
10 Peek, treasurer.

11 Q. Sir, I'm going to ask if we can go to page 15 of this
12 exhibit. Can you tell me what this is?

13 A. That is the -- it looks like the second page or maybe a
14 condensed page of the list of instructors and key personnel
15 where it lists Wes Keeling duties and then lists the license
16 number if applicable. Dustin Bragg, Jesse Stanley, Art
17 Underwood, Brad Croft as operations director and Richard Cook
18 as office manager.

19 Q. So again would this be identifying Wes Keeling, Dustin
20 Bragg, Jesse Stanley and Art Underwood as instructors for the
21 school?

22 A. That is correct. And also referring to a license number or
23 a license certification that would be included with further
24 evidence.

25 Q. And then over at the far end, courses, subjects taught,

1 that would be the things they would be teaching, is that
2 correct?

3 A. Yes, sir, that is correct.

4 Q. If we go beyond this to the next page, this application
5 again has a number of different certificates that are attached,
6 is that correct?

7 A. Yes, sir.

8 Q. For Wes Keeling, for Art Underwood, these are the same
9 certificates that were attached in the earlier application, is
10 that right?

11 A. I believe so, yes, sir.

12 Q. Now, this was the application that was ultimately finally
13 approved?

14 A. Yes, sir.

15 Q. If we could go back to that application, let's go to page
16 one. Page one of 6g is a letter, is that correct?

17 A. Yes, sir.

18 Q. Who signed that letter?

19 A. Well, it appears -- I can't really determine the signature.

20 Q. Who does it purport to be signed by?

21 A. Richard Cook.

22 Q. Had you had any dealings with Richard Cook?

23 A. None.

24 Q. At any time prior to this?

25 A. None.

1 Q. Do you even know who Richard Cook is?

2 A. Other than being listed on this, no, sir.

3 Q. So that application finally got approved, is that correct?

4 A. Yes, sir.

5 Q. I'm going to show you Government Exhibit Number Seven. Can
6 you tell me what this is?

7 A. This is an attachment to the approval letter approving
8 Universal K-9, "Note enclosures, original approval notice with
9 attached program list and effective date of June 20 and the
10 associated supporting materials that would normally be
11 forwarded."

12 And it is sent to Ms. Michele Nelson who is the Federal
13 Veteran Education liaison rep. in Waco, so this would be
14 transmitting her copy of the approval materials.

15 Q. And what is Ms. Michele Nelson's role in the approval
16 process?

17 A. She is the Federal education liaison representative for the
18 State of Texas who is officed out of Federal offices in Waco.
19 Each state has a educational liaison representative for the
20 approval of programs, V.A. approval of programs for which G.I.
21 Bill benefits may be used.

22 Q. And if we take a look at the second page of this exhibit,
23 can you tell me what this is?

24 A. This is the first page of the approval notice, approval
25 letter sent to the school president. And this letter would

1 also have been copied to Ms. Nelson in Waco.

2 Q. What does original approval notice with attached program
3 list mean?

4 A. Original approval is the first approval for a particular
5 school.

6 Q. And if we go to page six, this is the same exhibit that was
7 Government Exhibit 6g, is that correct, the application?

8 A. Yes, it is.

9 Q. So that was the one that was finally approved?

10 A. Finally approved, that's correct, sir.

11 Q. Now, after the Veterans Commission, Texas Veterans
12 Commission does their work, then it's sent off to the V.A.?

13 A. Yes, sir, it goes to the V.A., V.A. reviews it and if it's
14 approved, it goes into the V.A. database system and when the
15 individual veteran who is attending the school when their
16 enrollment in that school is certified by the school official,
17 it goes to V.A., then they get their V.A. educational benefits.

18 Q. Okay. I'm going to show you Government Exhibit Number
19 Eight and ask you if you know what this is. This is an e-mail,
20 is that right?

21 A. This is an e-mail, yes, sir.

22 Q. With attachments?

23 A. With attachments.

24 Q. From who?

25 A. Michele Nelson, V.A. Educational Liaison Office at Waco to

1 Universal K-9 with a copy to Anita Chisholm and Virgi Guerrero
2 who is the staff at Texas Veterans Commission for Veterans
3 Education. Subject: New NCD, non-college degree program, for
4 Universal K-9, effective 6/2016, date is 29th of June and it
5 also has two PDF attachments.

6 Q. If we turn the page, can you tell us what this is?

7 A. This would be the approval letter from Department of
8 Veterans Affairs to the school.

9 Q. And so this is actually what gives them their authority to
10 bill against the G.I. Bill?

11 A. That's correct.

12 Q. Universal K-9?

13 A. That's correct.

14 Q. By the way, this is addressed to who?

15 A. Mr. Richard Cook, president.

16 Q. And what is the address?

17 A. Universal K-9, 15329 Tradesman, San Antonio, Texas 78213.

18 Q. Now, sir, we've talked about a number of different
19 applications in all. As far as the list of instructors and the
20 certificates that were presented in the last two exhibits that
21 we talked about, Exhibit 6g and 6f, would the Texas Veterans
22 Commission or the Veterans Administration have approved
23 Universal K-9 as an institution that can bill for G.I. Bill
24 benefits if they had not provided the names of the instructors
25 and what they were going to teach?

1 A. No, they would not.

2 Q. And would they have been approved if they had provided
3 names of instructors but not provided certifications?

4 A. No, they would not, there would be no way to validate the
5 instructors' qualifications.

6 MR. SUROVIC: No further questions, Your Honor. We
7 pass the witness.

8 CROSS-EXAMINATION

9 BY MR. MCHUGH:

10 Q. Mr. Coburn, my name is Tom McHugh and I represent
11 Mr. Bradley Croft. I believe you and I just exchanged
12 greetings outside earlier today, did we not?

13 A. Yes, sir, we did.

14 Q. And other than that, you and I have never visited, have we?

15 A. We have never met.

16 Q. I don't recall us ever visiting, so let me ask you, you
17 were interviewed back in May of this year by Agent Breen who is
18 here, correct?

19 A. Yes, sir.

20 Q. And who else was at that meeting?

21 A. You know, honestly I don't remember the names. There were
22 a couple of other agents, but I don't recall the names.

23 Q. And was Mr. Surovic there?

24 A. Sorry?

25 Q. Was Mr. Surovic present?

1 A. Not the entire time, I don't believe. I do recall meeting
2 him.

3 Q. Do you recall the name Sean Scott, was he present? He's
4 with IRS.

5 A. Honestly, I don't recall the name.

6 Q. Okay. What was the purpose of that meeting?

7 A. My understanding of the purpose was they wanted information
8 about the approval process and general information about how --
9 what interaction there had been with Universal K-9's owners and
10 how the process worked and that's what we talked about.

11 Q. Kind of your knowledge and your background as it relates to
12 Universal K-9?

13 A. Yes, sir.

14 Q. And is that the first time that you met with any of these
15 persons, had you met with Mr. Surovic before or Mr. Breen
16 before?

17 A. No, not that I recall, not that I recall.

18 Q. I don't see evidence that you visited with them before.

19 A. I don't recall it, so --

20 Q. And let's go back to your TVC time. You took us through
21 your military career and everything. And what years were you
22 associated with TVC?

23 A. Well, TVC -- actually the Veterans Education Program was in
24 Texas Workforce Commission when I entered into that program in
25 2000 and I don't remember the exact month. So I worked for

1 the -- that approval process, that sub agency, if you will, was
2 in the Workforce Commission. We stayed in the Workforce
3 Commission until approximately 2006 and then in reorganization
4 we moved over to --

5 Q. Sorry, could you pull the mike in?

6 A. Sorry. Is that better?

7 Q. It's fine for me. Okay.

8 A. So to repeat what I said, we were in Texas Workforce
9 Commission from when I originally started there in 2000, about
10 2000, and then I think it's approximately 2006 the Veterans
11 Education Program moved over to the Texas Veterans Commission
12 and we were in the Texas Veterans Commission where it still
13 resides today.

14 Q. So when you were at the Texas Workforce Commission, what
15 was your title and what were your responsibilities?

16 A. I started out as a program specialist and my
17 responsibilities were school approvals, school compliance
18 visits with much the same process that we have talked about
19 today. I was at the worker bee level. I continued that until
20 seems like about 2006 when we changed over, we re-organized and
21 I became the assistant director and then a couple years as
22 assistant director and then director until 2016 when I retired.

23 Q. When did you move from the Texas Workforce Commission to
24 TVC?

25 A. I think it was about 2006.

1 Q. 2006. And so you were with TVC from approximately 2006
2 through the time of your retirement?

3 A. Yes, sir.

4 Q. And you retired in what year?

5 A. About 2016, as I recall.

6 Q. 2016. And when you retired in 2016, what was your title?

7 A. I was the program director.

8 Q. And what were your responsibilities?

9 A. Administration of the Federal G.I. Bill for the entire
10 state as well as administration of the Texas Hazelwood Act and
11 some other minor kind of cats and dogs, veterans educational
12 programs that are not terribly significant, but generally the
13 veterans education business and the state.

14 Q. And how big was your office?

15 A. I think it was -- when I retired it was right around 20 and
16 we had probably authorization for two or three others.

17 Q. What is an action officer?

18 A. An action officer is -- I would call them the worker bee.
19 That's the individual who is responsible for staffing the
20 particular issues, doing the approvals and so forth.

21 Q. How many of those worker bees did you have?

22 A. Well, I'd say of the 20 working the approval programs,
23 about six or eight. And the way we were organized then I had
24 field staff who were doing compliance visits and they were home
25 officed throughout the state. I had four, five of those. And

1 then at that time we had also instituted a program of liaison
2 representatives, two with major universities and throughout the
3 state, so I had four of those throughout the state.

4 Q. Let's talk about a Bebe Glasgow. I believe you mentioned
5 her during your direct examination. Who is Bebe Glasgow?

6 A. Well, she was a lady who had -- my first association with
7 her, she was the V.A. certifying official at Midland College.
8 And her husband was in the oil business, he moved from Midland
9 back to the Austin area and we were -- at that time, we were
10 advertising for a position and she applied and we hired her.

11 Q. Approximately when did she come on board?

12 A. Oh, gee, I'm not real sure about that. I would say she was
13 there -- she retired or left in about '16, so she was there
14 four, five years, so 2010, 2011 maybe.

15 Q. And when she came on board, her training or education to
16 perform her duties?

17 A. She had been really kind of on the other end of what we
18 were doing. The schools submit their catalogs, their approval
19 materials to TVC Veterans Education for approval. She was that
20 person at Midland College who performed that task and also who
21 certified the veterans at her school for their G.I. Bill
22 benefits.

23 Q. So she had enough work experience coming in?

24 A. Yes, sir, she did.

25 Q. And she was a program specialist?

1 A. Program specialist. That was the term we used, sir.

2 Q. And how many program specialists were there?

3 A. Well, let's see, had about 20. Six or eight.

4 Q. And did they all carry a similar workload in terms of cases
5 and in terms of variety?

6 A. Yes, sir.

7 Q. And in terms of -- and they were all overworked, I take it?

8 A. Well, if you ask them, they were. If you ask me, I might
9 not have shared that opinion.

10 Q. Okay. And you were their supervisor and they worked at
11 your direction, did they not?

12 A. Yes, sir, that's correct.

13 Q. And in reference to Bebe Glasgow, program specialist, give
14 the Court and for the record an idea of what kind of matters
15 she handled?

16 A. Well, I'm not real sure exactly. I can tell you what her
17 duties were.

18 Q. Okay.

19 A. Responsible for -- and I don't remember the exact numbers,
20 but we had them divided up, but responsible for keeping
21 approvals updated for the schools assigned to her as well as
22 staffing new approvals. And we normally just would rotate the
23 new approvals among the program specialists to try to keep the
24 workload fairly even.

25 Q. And she was assigned the Universal K-9 file, was she not?

1 A. That's correct.

2 Q. How did it come to land on her desk?

3 A. Act of God. Seriously, we rotated and so it was her turn
4 when that one came about.

5 Q. So was there anything about that particular program that
6 she carried an expertise in and that's why she ended up with
7 that?

8 A. Oh, no. It was strictly a rotation of -- as new approvals
9 come in, they were staffed to the various program specialists
10 and if it were something particularly difficult or something we
11 had not seen similarities with before, generally the program
12 specialist would surface that and bring it up to my assistant
13 or either to me. And if they weren't suited or if they had
14 some particular other reason that it wasn't -- that we didn't
15 think it could be, you know, a fair evaluation, then we would
16 shift it then. They would just take the next one in line.

17 Q. And so the assignment of the Universal K-9 program to
18 Ms. Glasgow, in your vernacular, how do you describe that? Dog
19 school?

20 A. Well, I think we call it a dog training school or dog
21 handler school.

22 Q. Dog handler school. Do you know whether or not she had
23 managed those before?

24 A. Well, we only had one other one that had come through and
25 that was not exactly analogous to this, but I think it was an

1 on-the-job training program that the DPS had.

2 Q. So a lot of this was first impression going through it with
3 the dog handler school?

4 A. Well, it was the first exposure, yes, sir.

5 Q. First exposure, okay. In your testimony, you indicate how
6 many applications was Mr. Croft identified with or associated
7 with? Did you say four?

8 A. I think there were six different applications was the
9 numbers as we went down through the chronology.

10 Q. And Mr. Croft had a relationship to all those, did he not?

11 A. Apparently so, yes, sir.

12 Q. Well, I'm referring to his name was on --

13 A. His name was on them, yes, sir.

14 Q. On all those. And in regard to him, the case was
15 initially, the file was initially assigned to Bebe Glasgow and
16 then your testimony is that it was reviewed, it was considered
17 and it was denied, is that correct?

18 A. That's correct.

19 Q. And I believe it's also your testimony that a file can be
20 supplemented, it can be updated so it remains alive. I think
21 you said there's a 30-day window or something?

22 A. Well, we normally requested a response within 30 days.

23 Seldom did we -- if there was an ongoing conversation with the
24 school, if it ran over a little bit, it didn't matter, I mean
25 we would continue to work the program -- or the application if,

1 in fact, there was interaction with the school. If we had
2 reason to believe the school wanted to continue.

3 Q. So it was denied on that application, that first
4 application for the reasons stated and also because there was
5 not a whole lot of interaction with the school?

6 A. Oh, I think that would be better characterized by saying
7 that the responses from the school were incomplete and we
8 continued to try to get responses and when they did not
9 respond, then it waited until there was further action, further
10 input from the school. And then finally a denial letter was
11 sent.

12 Q. And do you know whether or not you had any involvement or
13 what your involvement was in this first application?

14 A. I really don't recall any particular significant
15 involvement one way or the other on the initial one. It's not
16 to say there wasn't, but it was not unusual for schools to have
17 issues with an initial application for the iterative process to
18 go back and forth and sometimes there were long spaces between,
19 but as I said earlier, our impetus in this whole thing was to
20 provide as many and as broad an educational spectrum to our
21 Texas veterans as possible, so we were working with the school
22 to try -- we wanted schools to get approved, we wanted to
23 approval schools.

24 Q. Would it be correct in saying that your goal was to
25 facilitate and not to frustrate?

1 A. I think that's true, yes.

2 Q. Because there were many deserving vets out there who could
3 take the benefit or use the benefit of this program?

4 A. Seemingly so, yes, sir.

5 Q. And it was just a matter of eligibility on the part of the
6 applicant school and that's what your role in it is, correct?

7 A. That is correct.

8 Q. So that's the first application. And the second
9 application comes along not long thereafter, correct?

10 A. Yes, sir, I think that's correct.

11 Q. And I believe that when you visited with the agents back in
12 May, is this an accurate statement that you would try and take
13 the application at face value?

14 A. I think that's accurate.

15 Q. Is it accurate to say if there is a certificate attached to
16 the application, TVC would take that certification at face
17 value?

18 A. Yes, sir, I think that's correct.

19 Q. And is it also correct that unless there was cause to
20 believe there's a problem with the instructors, TVC would not
21 even review instructors or conduct additional checks?

22 A. I'm not sure what you mean by review instructors. The
23 application that we sent out asked for instructor
24 qualifications and certifications. When we receive that, if it
25 appeared to be valid, we at that point we had no reason to

1 question the validity. We had what we called a true and
2 correct statement on the application wherein the applicant and
3 in this case the owner had signed that verifying that all the
4 information tendered was true and correct to the best of their
5 knowledge, so we would accept that.

6 Q. And this application, is it assigned a unique file number?

7 A. Yes, it is.

8 Q. And then if there is a new application, say, a second
9 application if the first one, say, were denied, does it go
10 under that same unique file number?

11 A. You know, I'm not sure. I don't recall how we did that. I
12 know for -- it was a point at which we did and I'm not sure if
13 that changed.

14 Q. And in regard to Ms. Glasgow, she all the way up until just
15 short of the last one, not including the last one, she was the
16 program specialist, was she not?

17 A. That's correct.

18 Q. And are you able to say whether or not she received those
19 subsequent applications randomly or were they assigned because
20 she had a history with that school?

21 A. Well, they were assigned because she had a history with
22 that school. And as I recall, I think the last letter was or
23 some of the last correspondence was with Anita Chisholm and
24 that was because Ms. Glasgow had terminated her employ with us
25 and moved to College Station where her husband was.

1 Q. She retired?

2 A. She didn't retire. She wasn't retirement eligible from the
3 State, but she changed jobs.

4 Q. And in regard to the applications for Universal K-9 that
5 she was involved with, when did that particular school begin to
6 creep onto your radar?

7 A. Fairly early in the process. Seems like I remember a
8 couple phone calls from Mr. Croft. I know there were during
9 this whole process there was a series of Freedom Of Information
10 Act inquiries, it came to the Commission and got --

11 Q. That was more later on, correct?

12 A. That was probably after maybe the first two, but I'm not
13 quite sure and numerically which application that came into.

14 Q. In the open records or Freedom Of Information Act, the
15 defendant was seeking what information?

16 A. Information on similar schools that he had -- well, schools
17 that he asked for. We didn't have any other dog handling
18 schools approved at that time, but he had a list of schools
19 that he wanted and basically he worked that with our legal
20 office and I was out of the picture on exactly what he got
21 other than I made our files totally open.

22 Q. And do you know his purpose in doing that?

23 A. No, sir, I don't.

24 Q. Do you know his purpose today of doing that?

25 A. No, sir, I don't.

1 Q. Do you have a belief what his purpose may have been in
2 doing that?

3 A. Well, you know, initially I thought that he felt he was not
4 being treated the same way as other schools were and he wanted
5 to see what their application process and files looked like.
6 Other than that, I really don't have any idea why.

7 Q. And if you're correct in that assessment, there's nothing
8 wrong with that, is there?

9 A. Not to my knowledge. That's why we made the files
10 available. That's what this all says we should do, so we do
11 it.

12 Q. And who makes the determination whether or not to make
13 those files available?

14 A. Our legal staff. The TVC legal staff.

15 Q. And in regard to the defendant here in the courtroom, would
16 it be fair to say that his relationship became a little rocky
17 with the TVC?

18 A. I think -- perhaps so, yes. Now, having said that, I think
19 he felt more ill at ease talking to me, and I'm not sure why,
20 than with other staff members. I'm not aware he had any
21 problem at all with the legal staff with getting the materials
22 that he had asked for.

23 Q. With regard to the TVC through his application process, he
24 would interface and deal directly or more directly with Bebe
25 Glasgow?

1 A. That's correct.

2 Q. And there were several e-mail exchanges between Ms. Glasgow
3 and Mr. Croft and some of which you were copied on, correct?

4 A. I think that's correct, yes, sir.

5 Q. And there's no "got you" questions.

6 A. Honestly, I don't know if she had other correspondence with
7 him. If it wasn't put in the file, all I know is what was put
8 in the file.

9 Q. Fair enough. What communications or records are documented
10 and maintained and kept in the file?

11 A. Well, it's supposed to be a memo for all the correspondence
12 and all the interaction with the school. And to my knowledge,
13 that was generally the case with most of the program, probably
14 all of the program specialists and with all the schools.

15 Q. When you say a memo of a communication, would a copy of the
16 communication itself be included in the file?

17 A. If it were a hard copy communication, I would think it
18 should have been.

19 Q. And if it were, say, for instance Mr. Croft reaching out to
20 Bebe Glasgow for some clarification, should that have been
21 included in the file?

22 A. I think it probably would have depended on the extent of
23 the request. If it were a fairly simple straightforward
24 request and answer, it may or may not have been. It might have
25 been a sticky note put in the packet or it might not have been

1 anything if it was something that she could have handled on the
2 phone or immediately faxed him something, it might not have
3 been.

4 Q. And is there only one file as it relates to each applicant
5 school?

6 A. Each -- until they were automated, which occurred right
7 after -- that was my final act was to get the files automated.
8 We had these monster green boxes with they were like
9 old-fashioned library boxes that had the paper copy files in it
10 and that kept the originals. And we had a room probably about
11 14 by 16 or so was the file room. And all of that was manually
12 kept.

13 Q. So Ms. Glasgow's file as it relates to Universal K-9 would
14 be kept in this room, not in her office?

15 A. It would have been kept in that file room for her to -- if
16 she were working that file, she would bring that box and set it
17 or take what she needed out of it and set it at her desk and
18 work and then put it back when she was finished.

19 Q. And who had access to that file?

20 A. All of our program specialists and our administrative
21 staff.

22 Q. So you also had access to it?

23 A. Everyone in the office had access to those files, yes.

24 Q. And you said it's your job to help expand the base to work
25 with the veterans, so in that regard with Ms. Glasgow, she is

1 assigned to Universal K-9, so when it comes in it's on her
2 desk. Do you review it, the new application, before it comes
3 in before you give it to her or does somehow it find its way to
4 her?

5 A. Well, it didn't just find its way. Normally we had a
6 rotation and our admin assistant person basically just because
7 we had program specialists we did not have -- with the
8 exception of flight schools, most everybody worked every type
9 of school that we dealt with.

10 Q. So did you, during the course of your tenure there, did you
11 have the occasion from time to time to go and review one of
12 those files?

13 A. Well, I had occasion fairly often to review files if we had
14 complaints from schools, if we had a particular issue that the
15 program specialist might have difficulty with that they would
16 bring in and ask for clarification or guidance on, I would see
17 the files from time to time, yes.

18 Q. And so do you recall or do you know the e-mail
19 correspondence between the defendant and Ms. Glasgow. Have you
20 had an opportunity to look at that e-mail correspondence?

21 A. I've seen parts of it and I've probably gone through the
22 whole file, but not recently.

23 Q. And in regard to that correspondence, initially Mr. Croft
24 was communicating directly with Ms. Glasgow, correct?

25 A. As far as I know, yes, sir.

1 Q. And at some point he retained an attorney, Ms. Santos?

2 A. Perhaps. We did get some correspondence with Ms. Santos
3 name on it, but you know, how and what he did with that, she
4 was someone else helping him. Yeah, I do recall that she was
5 an attorney, but I don't remember a whole lot that transpired
6 much beyond that as far as her involvement.

7 Q. It was your testimony that Mr. Rye from Texas Workforce
8 Commission ended up working with Mr. Croft --

9 A. That's correct.

10 Q. -- on the application that was approved?

11 A. That is correct.

12 Q. And his name was on that application, was it not?

13 A. You know, I'm not sure if it was or not. It may well have
14 been. I mean certainly the Veterans Commission, I knew he
15 worked with him on it, they had worked on the catalog, but I
16 don't recall if his name was on the application.

17 Q. And on the first number of applications, he was the owner,
18 was he not, that's your understanding?

19 A. Mr. Croft was the owner, yes, sir.

20 Q. And then the one that was finally approved, though his name
21 was on the application, it was Mr. Cook's name on it, is that
22 correct?

23 A. That's correct.

24 Q. And Bebe Glasgow was gone at the time?

25 A. By the final one, yes, sir, that's correct.

1 Q. And so the fact that that approved application did not go
2 to Bebe, one explanation is she was no longer there, is that
3 correct?

4 A. I believe that's correct. And Ms. Chisholm would have
5 completed that, but the fact that it changed program
6 specialists is really not particularly significant because
7 we've got the same rules, it's the same format and so forth.

8 Q. What is your recollection having at one time or another
9 having reviewed some of these e-mails as to the attitude or the
10 approach or the demeanor of the defendant, Mr. Croft, in his
11 e-mail communications with the TVC?

12 A. Specifically the e-mail communications, I don't know that
13 there was any particular problem.

14 Q. And it's your testimony that it was not unusual for an
15 applicant school to be turned down either?

16 A. That's correct.

17 Q. And nothing prohibits that applicant school from trying
18 again, correct?

19 A. That is correct.

20 Q. And Universal K-9 tried on several other occasions, did it
21 not?

22 A. That is correct, sir.

23 Q. Did you have many other applicant schools that were turned
24 down on that many occasions who wanted to remain in the fight?

25 A. Not many, but some, yes, sir.

1 Q. So would you agree that it began to develop a notoriety?

2 A. Not really because notoriety kind of has a negative
3 implication.

4 Q. Why don't you characterize it?

5 A. It was another school that had difficulty complying and
6 that in itself was not unusual.

7 Q. And TVC was open to, pursuant to a proper application, to
8 approving Universal K-9?

9 A. That's correct and we ultimately did.

10 Q. And you ultimately did?

11 A. Yes, sir.

12 Q. But Universal K-9 was turned down, denied how many times
13 would you guesstimate? It is what it is.

14 A. At least four, five.

15 Q. And let me --

16 MR. MCHUGH: If we can show 2a, Defendant's Exhibit
17 2a.

18 BY MR. MCHUGH:

19 Q. Do you see it?

20 A. No, my screen is blank. I need some technical assistance.

21 (Pause.)

22 Q. Are you familiar with that e-mail? Do you recall having
23 seen it before?

24 A. No, actually I don't, but --

25 Q. But it's from Mr. Bradley Croft to Bebe Glasgow at Texas

1 Veterans Commission, correct?

2 A. Yes, sir.

3 Q. And on that one I don't believe you're copied, are you?

4 A. No, sir.

5 Q. And the date of this one is January of 2013, is that
6 correct?

7 A. Yes, sir.

8 Q. Okay. And the tone of it, let me -- I'm referring to
9 "Pursuant to our telephone conversation" and then Mr. Croft
10 says, "Let me know your thoughts. We stand ready to answer
11 anything you may need."

12 Do you see that?

13 A. It rolled up. Yes, sir.

14 Q. So this was back in 2013 and this may be what you say --
15 would you say this is before you were more personally involved
16 in Universal K-9, these communications?

17 A. Yes, sir, I would say so.

18 Q. And would you describe the tone of that communication to be
19 appropriate?

20 A. Well, it appears to me that that would be pretty much a
21 normal exchange, request for additional information.

22 Q. That's right. And now we don't have to pull it up, but
23 Government Exhibit 2b, you're copied on 2b and -- well, maybe
24 we should bring it up since you're copied on it. In that
25 communication, Mr. Croft is acknowledging that you have his

1 permission or that your office has his permission to
2 communicate directly with Ms. Santos, an attorney that he
3 retained to represent him in the application process, is that
4 correct?

5 A. Yes, sir.

6 Q. The date of that, that was back in September 2013. If we
7 go to October of 2013, Defendant Exhibit Number 2c, have you
8 read it?

9 A. Yes.

10 Q. And in regard to that, that is Mr. Croft just again
11 reaching out in October 2013 just touching base saying if
12 there's anything that he may do, any additional information
13 that TVC may need in the application process, is that correct?

14 A. Yes, sir, that appears correct.

15 Q. It's a characterization?

16 A. That's fine.

17 Q. And Ms. Glasgow, she acknowledges that e-mail actually the
18 following day. And her response is that she was currently in
19 the process of reviewing the application, she acknowledges
20 that, "I know you're anxious" and then she says, "but it is a
21 tedious process." Do you see that?

22 A. I did just a minute ago. Can you bring it back up please?
23 It went blank. Okay.

24 MR. SUROVIC: Your Honor, I think there may be an
25 issue as far as -- you want 2c, right?

1 MR. MCHUGH: 2c.

2 MR. SUROVIC: I think you had 2b up on the screen.

3 A. There we go.

4 Q. So you have 2c before you, do you not?

5 A. This is 2c, yes, sir.

6 Q. That's a communication from Bradley Croft to Bebe Glasgow
7 and copied to yourself in October of 2013, correct?

8 A. Yes, sir.

9 Q. And he's just touching base, any additional information.
10 He's reaching out to TVC, is he not?

11 A. Uh-huh, I understand.

12 Q. And Ms. Glasgow timely responds to it I believe the
13 following morning where she basically says this is a tedious
14 process, but what she's saying is you're on our radar and we're
15 working on it, correct?

16 A. That's correct.

17 Q. And then was there a period of time that you know during
18 this application process that the defendant was informed that
19 you really need to be in operation for two years before we
20 could give you serious consideration?

21 A. I think that was probably conveyed early on.

22 Q. And do you know that in this process he actually stepped
23 away to cultivate that history?

24 A. Well, in reviewing this, I don't recall that as such, but
25 in reviewing this, there is a gap and that would explain it.

1 Q. And so there is a hiatus where he was not making
2 application, correct?

3 A. That's correct.

4 Q. And you learn the explanation for that to be that he had
5 to -- his understanding, he had to be in operation for two
6 years?

7 A. Which is correct.

8 Q. So that application is maybe a year and eight months later
9 because he had been in operation before that, you agree,
10 correct?

11 A. I agree, yes, sir.

12 Q. No got-yous.

13 In regard to that, at that point had you talked with
14 Mr. Croft in person on the telephone?

15 A. You know, I do recall I think we talked on the phone
16 initially and I know we had -- there was a gap there and then
17 seems like the next -- and it may not have been the very next
18 sequential call, but we did have the call that's where he was
19 from the Governor's Office --

20 Q. That's when he went from being a squeaky wheel to a thorn,
21 correct?

22 A. I wouldn't call it a thorn. And the reason I wouldn't call
23 it a thorn at all is the fact that I think he was sincere in
24 what he wanted to get done and we were sincere in trying to
25 help him. If it goes to the Governor's Office, it goes to the

1 Governor's Office.

2 Q. So he wasn't barred ever from participation in that
3 program, was he?

4 A. To my knowledge, he wasn't, certainly not by me.

5 Q. And you were not aware of it if he was?

6 A. I was not aware of it at all as far as --

7 Q. He was never told to go take a hike?

8 A. No, not at all.

9 Q. And I am familiar and I believe you're familiar, I know the
10 government is familiar here with the history of communications
11 between defendant Croft and your office. And at some point,
12 you were then copied on all the e-mails, were you not?

13 A. Quite a few. I'm not sure it was all, but it was quite a
14 few.

15 Q. If you're not copied, you wouldn't know, would you?

16 A. It would be difficult.

17 Q. And you told us about the, off your testimony, the
18 telephone conversation following the referral to the Governor's
19 Office or to Palladino, correct?

20 A. Referral to the Governor's Office.

21 Q. And he also wrote a letter, did he not, or an e-mail to
22 Palladino that he copied you on or you were copied on it at one
23 point. Turn to Exhibit Number 44.

24 MR. SUROVIC: Your Honor, this is one of those new
25 exhibits. Because it is an e-mail communication that we

1 provided defense, we have no objection to it.

2 THE COURT: All right.

3 BY MR. MCHUGH:

4 Q. Are you familiar with that e-mail?

5 A. I'm sure I saw it. It doesn't ring a bell right now, but I
6 certainly saw it.

7 Q. I'll just say this for the record, it was copied many times
8 and on some of those your name is on it?

9 A. That's fine.

10 Q. It was passed around and you would expect a letter of this
11 type to be passed around.

12 So what is Mr. Bradley Croft communicating to Palladino
13 where it's copied to Cook? You're copied on this later on, but
14 what is the import? What is he saying in this communication?

15 (Pause.)

16 In reference to Government Exhibit Number 44, the content
17 of this letter or this communication is it's very important and
18 your office was copied with this same communication later on.
19 And it's your testimony that you're familiar with it?

20 A. Well, can we roll it on up, so I can see? Okay.

21 (Pause.)

22 Okay.

23 Q. Are you able to summarize or we can read it into the
24 record, it is an exhibit or will be an exhibit, Mr. Croft's
25 complaint to Palladino. Who is Palladino?

1 A. Tom Palladino was and still is the execute director for the
2 Texas Veterans Commission, so he was my immediate boss during
3 this time period.

4 Q. And do you sense any frustration on the part of the author,
5 that defendant Brad Croft?

6 A. Well, I think it comes across fairly clearly that he's
7 concerned about the time it has taken to get his program
8 approved.

9 Q. Do you recall he -- and so you see his frustration, do you
10 not?

11 A. Certainly.

12 Q. And it's your testimony that you believed his efforts for a
13 school were sincere?

14 A. Absolutely.

15 Q. And in regard to the instructors that were identified, and
16 this is Government Exhibit 6f, if we could go to 6f.
17 Government 6f is the attachment to an e-mail which offers
18 information regarding the instructors, correct?

19 A. Yes, sir.

20 Q. And those instructors are named and identified as a --
21 maybe not this order, a Jesse Stanley, a Dustin Bragg, Wes
22 Keeling and an Art Underwood?

23 A. That is correct.

24 Q. And earlier today you have looked at that and you've also
25 looked at the attachment to it, have you not?

1 A. That is correct, sir.

2 Q. And this information was received by TVC through an e-mail,
3 correct?

4 A. Yes, sir.

5 Q. And a TVC application by rule, is it required to be mailed?

6 A. Not by rule.

7 Q. By practice, by policy?

8 A. By practice it is normally mailed, but some have been
9 physically dropped off, hand delivered.

10 THE COURT: Counsel, this is probably a good time to
11 take our afternoon recess.

12 COURT SECURITY OFFICER: All rise.

13 (3:10 p.m.)

14 * * *

15 (3:37 p.m.)

16 COURT SECURITY OFFICER: All rise.

17 THE COURT: Okay, the Court would note the presence of
18 counsel and the parties. You may proceed, counsel.

19 MR. MCHUGH: Thank you.

20 BY MR. MCHUGH:

21 Q. I believe when we broke we had started going into the
22 Government Exhibit 6g which has the names of the four
23 instructors and their qualifications and everything. Do you
24 see that?

25 A. Yes, sir.

1 MR. SUROVIC: 6f.

2 BY MR. MCHUGH:

3 Q. 6f. And in regard to 6f, your testimony today was not that
4 any of that information is untrue, correct?

5 A. That is correct.

6 Q. As a matter of fact, your understanding is that that
7 information -- you don't have any information that it's
8 incorrect, correct?

9 A. That is correct.

10 Q. Okay. In regard to the government application and
11 that's -- oh, tell me this. What month and year did you
12 retire?

13 A. I think it was the 31st of August, 2016.

14 Q. In regard to 6f, how is that information received by TVC?

15 A. I'm sorry, I was looking at the wrong reference. You're
16 talking about the entire page.

17 Q. Yes.

18 A. Well, it appears it was e-mailed and I can't really -- yes,
19 and I am an addressee, so it would have come to my e-mail.

20 Q. And in regard to the application itself, the formal
21 application, what is the history, what are the rules that I
22 believe it's requiring to be mailed, the application itself,
23 the four-page application, is that correct or incorrect?

24 A. It's normally mailed, yes.

25 Q. Is it required to be mailed?

1 A. You know that, I don't know. I don't recall if we had that
2 requirement. I also don't recall ever receiving a complete
3 application packet via e-mail, but that doesn't mean that we
4 had the rule.

5 Q. And you are, of course, very familiar with the application
6 itself, are you not? I'm just saying the blank application.

7 A. I'm familiar with the application as it existed when I was
8 a director, yes, sir.

9 Q. And the application that you showed us here earlier today?

10 A. Is that one.

11 Q. Was dated when?

12 A. It was during the tenure that I was the director, so --
13 there were several applications, one from 2013 on to '16.

14 Q. I'm referring to Government Exhibit Number Five.

15 A. That appears to be essentially the same application,
16 obviously it is slightly different, it's got different people's
17 names in the positions and so forth, but essentially it looks
18 to be about the same.

19 Q. You believe it to be the same?

20 A. I would say it is reasonably so and I'm looking at the
21 bottom where it says, "SAA non-accredited revised 09/2018."
22 09/2018 was after I retired, so I retired.

23 Q. So at the time you retired the application, was it similar
24 to this?

25 A. It was very similar to that, yes.

1 Q. If it's substantively different --

2 A. Substantively similar.

3 Q. But the list of the instructors, now going back to 6f, if
4 we may, that list was mailed or e-mailed?

5 A. This appears to be e-mailed, but if you're referring to --
6 are you referring to this list, this piece of paper? That
7 appeared to be e-mailed.

8 Q. That's the October 4th, correct?

9 A. I need some technical assistance up here. My screen just
10 went blank.

11 MR. MCHUGH: Your Honor, for the record, this part of
12 this examination relates to page four, paragraph eleven of the
13 government indictment. And maybe for clarity sake, Your Honor,
14 I would like to read paragraph number four and then ask the
15 witness to comment on it.

16 THE COURT: Well, he can only testify as to what he
17 knows personally. He can't be commenting on the indictment.

18 MR. SUROVIC: Exactly, Your Honor.

19 BY MR. MCHUGH:

20 Q. Referring then to the application, we'll do it another way,
21 referring to the application that you're familiar with, Roman
22 numeral two J, where it is requested a roster of administrative
23 and instructional staff, okay, you're familiar with that on the
24 exhibit -- on the application?

25 A. Yes, sir.

1 Q. And are there any admonishments that follow the -- when
2 listing the roster of administrative and instructional staff,
3 any admonishments that go with that?

4 A. Well, I don't think there is, but without the actual blank
5 up there, I'm not -- can we have that exhibit so I can see what
6 it looks like?

7 MR. MCHUGH: Exhibit five, page five please.

8 BY MR. MCHUGH:

9 Q. If you go to Roman numeral two, paragraph J, if you would
10 read that into the record?

11 A. Yes. Personal data form for -- sorry, J. "Roster of
12 administrative and instructional staff with credentials or
13 license numbers."

14 Q. Is anywhere in the application does it say, if you are
15 familiar, that this information has to be listed with either
16 the knowledge or the permission of those persons identified as
17 instructors?

18 A. To my knowledge, it does not.

19 Q. Going back to Government Exhibit 44, which is an early
20 generation -- the letter from Bradley Croft to Palladino. And
21 you've got that before you, do you not, a copy of it?

22 A. No.

23 MR. MCHUGH: Forty-four. I've got a hard copy, Your
24 Honor.

25 THE COURT: You can give it to him or show it to him,

1 sure.

2 BY MR. MCHUGH:

3 Q. Do you see it?

4 A. Yes, sir.

5 Q. And you are familiar with this communication, Defendant
6 Exhibit Number 44, are you not?

7 A. Yes, sir.

8 Q. And that rattled around the offices of TVC back in July of
9 2015 and after, correct?

10 A. Yes, sir.

11 Q. And it's a letter from Bradley Croft to Palladino. And
12 again who is Palladino?

13 A. He was the -- or is the executive director of the Texas
14 Veterans Commission.

15 Q. And you knew him personally, did you not?

16 A. Yes, sir.

17 Q. As a matter of fact, he in some communications would refer
18 to you as Rufus, would he not?

19 A. Yes, sir.

20 Q. And is that an a.k.a.?

21 A. No, it's a Christian name.

22 Q. And in the letter, Mr. Croft complains that "I appreciate
23 your time and understanding." He kind of starts off that way,
24 do you see it?

25 A. Yes, sir.

1 Q. And he refers to earlier communications between he and
2 Palladino, correct?

3 A. Yes, sir.

4 Q. And he is complaining to you in 2015 and he says he has hit
5 a stone wall and all efforts have met with -- and then he goes
6 on and says he believes discrimination. Do you see where he
7 says that?

8 A. Last sentence, first paragraph.

9 Q. Do you see where he makes the reference to discrimination?

10 A. Yes, sir.

11 Q. Did any discrimination exist between --

12 A. Not to my knowledge.

13 Q. Not to your knowledge. Do you know what he was referring
14 to either at the time or later when he was talking about
15 discrimination?

16 A. The only thing I could imagine he's referring to or
17 referred to on that was just timeliness, that I don't think he
18 agreed with the fact that we had certain standards and certain
19 policies that had to be adhered to and that his school was
20 noncompliant and when they became compliant there was no
21 problem. That's the only thing I can imagine.

22 Q. Do you recall being copied on communications where he
23 described his program or his school as nontraditional? In
24 other words, they would use shelter dogs, do you remember that?

25 A. I don't recall that as being anything of significance, no.

1 Q. Well, I'm not asking whether or not there was
2 discrimination on your part. I'm asking --

3 A. I don't recall the particular terminology.

4 Q. And was there a bias or prejudice against shelter dogs?

5 A. Being as I didn't know what a shelter dog was, I don't
6 think there could have been any. I would say absolutely none.

7 Q. In his letter, he talks about all the stone walls that he
8 has hit and that he has wasted years on this application
9 process. Do you see that? Just read paragraph number two,
10 read it into the record.

11 A. "I have attached a current letter from Ms. Bebe Glasgow,
12 V.A. Texas letter 7/20/2015.pdf asking for a number of changes
13 and additional information. I have also attached a letter from
14 Rufus Coburn, V.A. denial letter 11/12/2013.pdf. As you see in
15 the V.A. denial letter from Mr. Coburn has specifically stated
16 two areas of noncompliance and please duly note the highlighted
17 portion where Mr. Coburn states Veterans Education has
18 thoroughly assessed your application for approval to train V.A.
19 eligible persons."

20 Should I continue?

21 THE COURT: Yes, much slower though.

22 A. "Universal K-9 submitted with our new application June 16,
23 2015 with no changes except the two noncompliance issues and
24 now instead of being approved there are all these new issues
25 that weren't there before after, quote, thoroughly reviewing

1 our application in 2013. Universal K-9 is trying to comply
2 with every compliance issue. However, we fix one list and then
3 another list comes after that. We have reviewed over 30 other
4 V.A. approved application that have been approved with less
5 information than provided by us (and with numerous mistakes) as
6 we have become almost experts at applying and recognizing all
7 Federal and State regulations. We have made copies of several
8 approved schools applications and can provide them to you to
9 review alongside ours and you will see what we are talking
10 about."

11 Q. And did you -- after your office received a copy of this
12 communication, did you staff it, did you meet with, say,
13 Ms. Glasgow and discuss this complaint?

14 A. I don't recall. I'm certain that Mr. Palladino would have
15 questioned me on that and what I would have -- I honestly don't
16 recall that specifically.

17 Q. Let me try and refresh your memory. And you can correct me
18 if I'm mistaken, that you had asked Ms. Glasgow to write a
19 response which you adopted and then that was then adopted by
20 Mr. Palladino?

21 A. That could be.

22 Q. I mean that only makes sense?

23 A. Well, that could be. I just -- I didn't recall that, I
24 don't deny doing it at all.

25 Q. And after this letter and the Palladino communication,

1 another application was submitted, was it not?

2 A. Honestly I don't recall. It could well have been.

3 Q. You do recall that when the Cook application is approved,
4 the Universal K-9 application is finally approved, is it not?

5 A. Yes.

6 Q. And it is not approved by Bebe Glasgow, but it is approved
7 by is it Ms. Chisholm?

8 A. Ms. Chisholm, yes.

9 Q. Because she is the new project analyst, is she not?

10 A. That is correct.

11 Q. Because Bebe Glasgow no longer was employed by the Texas
12 Veterans Commission?

13 A. That's correct.

14 Q. But this time around, the first application that was
15 submitted after Bebe Glasgow leaves is approved, is it not?

16 A. It is and that application --

17 Q. And the defendant is not unidentified with that
18 application, is he?

19 A. Sorry. Not unidentified?

20 Q. In other words, he knew that he was part of the application
21 process?

22 A. Absolutely, absolutely.

23 Q. As a matter of fact, do you recall when you visited with
24 the agents back in May that you were actually referred to this
25 as the Croft application?

1 A. No, I don't recall that, but I certainly don't deny it.

2 Q. And in regard to this application, is there anything wrong
3 or sinister about another person coming on board as, say, for
4 Mr. Cook to make the application?

5 A. I'm not sure what you're asking there, but I think the
6 answer to that is no, I don't think --

7 Q. This application was not submitted in the dark?

8 A. No, it was not.

9 Q. This application was related --

10 A. It was a continuum of that process.

11 Q. And it was continued and it was finally approved because he
12 was determined eligible at that time, is that correct?

13 A. It was determined that the application was complete and
14 eligibility criteria were met, that is correct, sir.

15 MR. MCHUGH: May I have one moment, Your Honor?

16 THE COURT: Yes.

17 *(Pause.)*

18 BY MR. MCHUGH:

19 Q. Would you describe the defendant as persistent?

20 A. Yes, sir.

21 Q. As determined?

22 A. Certainly.

23 Q. As undeterred?

24 A. Of course.

25 Q. He didn't give up, did he?

1 A. No, he didn't give up.

2 Q. There is a FOIA request and the product of that request was
3 looking into Worldwide. Do you recall that?

4 A. I'm not -- looking into Worldwide? I'm not -- I don't
5 really understand what you're asking.

6 Q. It was a school that Mr. Croft had learned of that through
7 the Freedom Of Information he looked at that application and
8 then he complained to your office and to you that, hey, I'm no
9 different than this, that's approved and I'm not. Your office
10 then reviews Worldwide and suspends its authority. Do you
11 recall that?

12 A. No, I don't, but I don't deny it happened. I mean I just
13 don't recall it.

14 MR. MCHUGH: One moment, Your Honor.

15 THE COURT: Sure.

16 *(Pause.)*

17 MR. MCHUGH: Your Honor, if I may say for the record
18 as we attempt to bring it out, that it was not anticipated that
19 I would receive this response and so we're just trying to bring
20 up an e-mail so Mr. Coburn can maybe refresh his memory.

21 THE COURT: All right.

22 *(Pause.)*

23 BY MR. MCHUGH:

24 Q. Has it been brought up on your screen?

25 A. Yes, sir.

1 Q. So this is an e-mail communication from yourself to a Craig
2 Bean, correct?

3 MR. SUROVIC: We have no objection to Defense Exhibit
4 46, Your Honor.

5 THE COURT: It will be received.

6 BY MR. MCHUGH:

7 Q. Have you had an opportunity, Mr. Coburn?

8 A. Yes, I have reviewed it.

9 Q. Does that refresh your memory?

10 A. It does.

11 Q. Okay.

12 A. But not a whole lot more detail than what we've got here,
13 but yes, sir. And Craig Bean was a staffer at the Governor's
14 Office.

15 Q. So what are you communicating to me in this e-mail?

16 A. Well, he obviously had had a question. "Do you happen to
17 have a copy of the TWC letter notifying Universal K-9 that they
18 have received an exemption from TWC?" And my response is down
19 below. Would you like me to read that?

20 Q. Yes, please.

21 A. The response. "I apologize for taking so long to respond.
22 Today has been a typical Monday. We withdrew Worldwide
23 Canine's approval to train veterans when we determined that the
24 documents they submitted to verify approval by Texas Workforce
25 Commission as a school were erroneously accepted by our staff.

1 They did not have a TWC exemption at that time. Worldwide
2 Canine's withdrawal was dated May 2013 and the TWC exemption
3 letter you attached is dated 2014. Worldwide Canine did not
4 choose --" obviously I left out a word "--to apply for approval
5 to train veterans after their initial approval was withdrawn.
6 I have not heard from DPS today, but have resent the e-mail
7 request for information and also tried to contact them via
8 telephone. So far no response."

9 Q. Are you able to testify today how this came to your
10 attention?

11 A. Honestly I do not recall having come to my attention other
12 than what's here. I don't know what the catalyst for this
13 response was.

14 Q. Are you aware that the defendant, Bradley Croft, made a
15 FOIA request of Worldwide and he then communicated that
16 information to TVC as a complaint, why him and not me?

17 A. I don't recall that, but I don't deny it happened.

18 Q. In any of defendant Croft's communications to you through
19 e-mails, letters, was he ever rude to you?

20 A. The only comment -- not e-mails and letters.

21 Q. You told us about the telephone?

22 A. The telephone call is the only time that I recall what I
23 would call excessive.

24 Q. And the telephone call occurred after or during this time
25 when this letter was floating around, correct?

1 A. I'm not sure. It may be close, but I honestly don't
2 recall. The sequence of events is once the telephone call, the
3 conference call to the Governor's Office, that catalyzed, if
4 you will, the TWC involvement. And this is just personal
5 opinion, I think the personal intervention of Steve Rye and the
6 help that he provided to Mr. Croft --

7 Q. To assist him?

8 A. -- to assist him was instrumental in the approval.

9 Q. And on the earlier applications there, Mr. Croft was pretty
10 much on his own?

11 A. With the exception of the exchange back and forth with our
12 staff on what was required and --

13 Q. Did you have a comment or characterization of when
14 Mr. Croft says, On my denial letter you said I needed to do
15 this, I did that and that it had been thoroughly reviewed and
16 he did that and then new grounds for denial came up?

17 A. Well, I don't think there were new grounds for denial, I
18 think they were the same grounds for denial that he had had
19 originally and which were the program was not adequately
20 described, it was not adequately described, instructors were
21 not adequately qualified and so forth and this was a continuum.
22 And what happened on it when Steve Rye finally sat down with
23 him with this is what you need to do to get this thing approved
24 by TWC as a school, they went through the TWC school catalog
25 requirements. The next submittal which reflected all of that

1 work was approval.

2 Q. Going back to Bebe Glasgow for one moment. What other
3 types of applicant schools did she manage or handle?

4 A. From accredited State universities to on-the-job training
5 programs and everything in between, the whole panoply of
6 schools that we dealt with. And each of the program
7 specialists, with the exception of flight schools, we did not
8 have a unique specialist for any particular type of school.

9 Q. And in regard to the application itself, is there any
10 requirement in the application -- and I'm going back to what we
11 had mentioned before, referred to before as Roman numeral two
12 J, roster of administrative and instructional staff, is it set
13 out anywhere that a threshold amount of instructors that need
14 to be present, in other words, for an application to be
15 approved?

16 A. No, there is not a specific number of instructors, but
17 there's got to be at least one with qualifications.

18 Q. As a matter of fact, there have been applications approved
19 with one instructor?

20 A. That would not surprise me. I don't recall one right
21 offhand, but I'm sure there have been if the school is small
22 enough.

23 MR. MCHUGH: Thank you. Pass the witness, Your Honor.

24 THE COURT: Okay.

25 REDIRECT EXAMINATION

1 BY MR. SUROVIC:

2 Q. I don't have too much for you, Mr. Coburn, but I do have a
3 few I'd like you to clarify for me. And if we could get
4 Defense Exhibit 44 back up? This is the e-mail between
5 Mr. Croft and Mr. Palladino. Do you remember that? I'd like
6 to scroll forward. This is the original message and then, as
7 Mr. McHugh indicated, it was forwarded around. So if we scroll
8 back up -- right here is good. Can you tell us what is this?
9 This is part of Defense Exhibit 44 again, this is the follow-on
10 e-mail, is that correct?

11 A. Yes, sir, I believe so.

12 Q. This is where Mr. Palladino is forwarding the e-mail to
13 you?

14 A. Yes.

15 Q. What does he ask you to do?

16 A. "Please coordinate with Shawn, Karen and Cruz." Shawn was
17 the -- one of the -- what did we call him? He was between
18 Mr. Palladino and myself, but at that time it had not been
19 formalized. Karen was the legal counsel and Cruz was the
20 assistant TVC director, Cruz Matamayor. So coordinate with
21 them. "Brief me on the V.A. approval process for Universal K-9
22 current status." And he basically wanted me to come in and
23 talk to him about the whole approval process and what the
24 chronology of events was and I'm sure that's what I provided.

25 Q. That's for the purpose of for him to respond to Mr. Croft?

1 A. Yes.

2 Q. If we scroll up some more -- stop right there. Who is
3 Ms. Karen Meisel?

4 A. Karen Fastenau, she was our legal counsel.

5 Q. What does this indicate?

6 A. She wanted a short briefing on the Universal K-9 approval
7 process and where it was, status.

8 Q. It seems to indicate that she's read the documents in the
9 file and she thinks she understands what happened?

10 A. That's the way I interpret it, yes.

11 Q. And that there was going to be a follow-on meeting with
12 Mr. Palladino, is that correct?

13 A. That's correct.

14 Q. So you all met together with Mr. Palladino in that meeting
15 formulated response? It wasn't just Mr. Palladino sending out
16 whatever you said?

17 A. No, no, I'm sure we sat down and had a roundtable
18 discussion on it.

19 Q. I want you to take a look at Government Exhibit Number 6g
20 again. Mr. McHugh asked you about it was signed off on by
21 Steve Rye. This is 6g, this is the application that was
22 finally approved, is that correct?

23 A. Just a second.

24 (Pause.)

25 Yes, sir.

1 Q. The cover page is just the transmittal from Universal K-9.
2 If we open it to the second page, that might be more helpful to
3 you. You can see the receive date, March 4, 2016?

4 A. Yes, sir.

5 Q. This is after all of the conversations with Mr. Palladino,
6 is that correct?

7 A. That is correct.

8 Q. We go to page five, this is what you mean when you say that
9 Mr. Steve Rye signed off on the application, is that correct?

10 A. Yes, sir.

11 Q. Can you tell us what this is?

12 A. Well, this letter?

13 Q. Yes, sir. You don't have to go through the details.

14 A. Essentially what that meant is that the Universal K-9 was
15 exempt from the requirements that normally applied to career
16 schools that were approved by Texas Workforce Commission.

17 Q. And that's -- this is a critical letter, is it not, because
18 Texas Workforce Commission is the only person that has the
19 authority to do that?

20 A. That's true.

21 Q. In fact, this was a key letter that was missing from all
22 the other applications?

23 A. Well, yes in part. And in part because we get into the --
24 I would call it the segmentation of what agencies approve what
25 types of schools and so forth. So for instance, cosmetology

1 school has to be approved by the Cosmetology Commission and so
2 forth. So in this case, this is the proper route for this to
3 take.

4 Q. It could not have been really approved until you had a
5 letter like that?

6 A. That is true.

7 Q. When you were talking about the Worldwide Canine situation,
8 they did not have this letter until after their application had
9 been denied, I think that's what your testimony was?

10 A. I think that's correct, yes, sir.

11 Q. Their application was denied in 2013 and the letter from
12 Texas Workforce wasn't dated until 2014?

13 A. That's correct.

14 Q. So this application couldn't really not have been approved
15 until you had a letter like this in the file?

16 A. We had to have either a formal exemption or a license.

17 Q. And that was one of the reasons why this packet took so
18 long is trying to get that letter, is that fair to say?

19 A. I think that's a fair assessment, yes, sir.

20 Q. Let me ask you about Government Exhibit 6f. You talked
21 about how it was a back and forth activity with people who were
22 making applications that you would identify or your aids would
23 identify for them, things that needed to be corrected and that
24 they would correct them, is that fair to say?

25 A. Yes, sir.

1 Q. I can't remember the phrase exactly that you used?

2 A. I said an iterative process.

3 Q. Iterative process, perfect. So it wasn't really that if
4 you identified something was wrong, they went back to square
5 zero and had to start over?

6 A. No, they had merely to satisfy that requirement.

7 Q. Was it unusual for people to after you identified a thing
8 that was wrong in an application to either mail or e-mail
9 somehow you a correction to their packet?

10 A. It wasn't unusual.

11 Q. And that was an acceptable --

12 A. It was acceptable.

13 Q. We're looking at 6f. You'll see at the very top this is an
14 e-mail from Brad Croft and it's got a list of attachments, is
15 that correct?

16 A. Yes, sir.

17 Q. They're hard to read?

18 A. Yes, sir.

19 Q. And we looked at this previously. If we could go to page
20 69, this was one of the attachments, was it not?

21 A. Yes, sir, I believe so.

22 Q. The Exhibit J that we've talked about listing the
23 individuals who would be teaching?

24 A. Yes, sir.

25 Q. And then on the next page as we went through, if you can

1 turn to page 70, the collection of certificates?

2 A. Yes, sir.

3 Q. That would have been the way that you supplement your
4 application, wouldn't it?

5 A. That is correct.

6 Q. And these items would have been absolutely necessary to
7 process that application?

8 A. That is correct.

9 Q. As far as defense asked you if there was anywhere in here
10 where it talks about, you know, that the information provided,
11 they had to get permission for the -- including the name of a
12 person that's not in the program is it? I think it's -- sorry,
13 it's a very complicated question.

14 The defense asked you whether or not there was any warnings
15 in the thing saying you need to make sure that you talk to
16 these people before you include their names and I believe your
17 answer was no, there wasn't?

18 A. No, there's not, there's not.

19 Q. There is an obligation, though, and a warning to be true
20 and correct, is that not correct?

21 A. Absolutely. There is a true and correct statement which
22 the applicant signs.

23 Q. And the people that are listed here, the purpose of this is
24 these are people who are actually going to be administrators
25 and actually going to be the teachers in the courses, is that

1 correct?

2 A. That is correct.

3 Q. In fact, if you go down to the bottom of that page, right
4 above the signature, it says very specifically what?

5 A. That's the true and correct statement. "I certify that the
6 information on this form and/or attachment is true and correct
7 to the best of my knowledge and belief." And a blank for
8 signature and a date.

9 MR. SUROVIC: No further questions, Your Honor.

10 RECROSS-EXAMINATION

11 BY MR. MCHUGH:

12 Q. An application is like a snapshot, is it not? It may
13 change over time and it may be supplemented over time, correct?

14 A. That is correct.

15 Q. And that's even provided for in the application to update
16 it, so if your instructional staff changes, then when it's
17 approved at some point it should be updated, correct?

18 A. That is correct.

19 Q. But the fact that a teacher or an instructor may not be an
20 instructor on the day it was approved or the instructor may
21 have agreed if you get the V.A. program I'm going to come on
22 board, there's nothing sinister about that?

23 A. I'm not real sure what you're asking. If the instructor is
24 fully qualified for the position and the instructor is included
25 on the roster of instructors --

1 Q. That's right.

2 A. Then --

3 Q. Because it is an understanding of the applicant that that
4 is going to be the team in place, but the team in place
5 changes, it can change, can it not?

6 A. It can change and those changes should be --

7 Q. And in regard to Universal K-9 --

8 MR. SUROVIC: Your Honor, I object. Counsel is not
9 letting the witness answer the question.

10 THE COURT: Let him answer the question.

11 A. I was going to say that list of instructors has to be valid
12 for the time of the approval and if they change during that
13 time, then that roster of instructors needs to be updated. And
14 until the approval goes back approving said instructor, unique
15 instructor and they're not qualified, they are qualified to
16 teach at that school, however, a veteran student is not
17 qualified to get -- that student or that instructor, I'm sorry,
18 is not approved for veterans training. You can have
19 instructors on that school totally valid that are not listed on
20 that roster that provide training. The only thing is the
21 veteran will not be able to get the G.I. Bill benefits if that
22 unapproved instructor is one of their instructors.

23 Q. Did you or any member of your staff make a site visit to
24 Universal K-9?

25 A. A member of my staff did because we are required to do site

1 visits. And I don't remember the staff member who made that.
2 There should be in the TVC records there should be a record of
3 that visit and that's called an original visit and they go --
4 normally they will sit down with the owner, the instructors and
5 talk about how to validate the forms so that the veteran
6 student can get paid and they go over the changes in the
7 approval process and so forth and so on. Usually that visit
8 takes anywhere from an hour and a half to two hours.

9 Q. And you believed and you don't have contrary information
10 today that Universal K-9 was a real school?

11 A. They met the requirements we had at that time.

12 Q. Okay. And you haven't received information when the site
13 was visited that it was a bowling alley?

14 A. The original visit verified the information on the
15 application, that instructors, people and so forth were there.
16 If not, it would not have been approved.

17 Q. And this would be -- are you familiar with the address is
18 on Tradesman in San Antonio?

19 A. I am not familiar, personally familiar with the address,
20 no, sir.

21 Q. A site visit to Tradesman in San Antonio, was it reported
22 back to you how many dogs were present, how many animals they
23 had?

24 A. I doubt that because probably the focus was more on the
25 facility and the fact that there were animals. And whether or

1 not there were two or five I don't think would have been of
2 consequence to the person looking at the facility and that's
3 what it is, it's more a facility inspection.

4 Q. And the facility inspection passed, did it not?

5 A. To my knowledge, it did or they would not have been
6 approved.

7 Q. And your knowledge or understanding of Universal K-9 is
8 that it started with a small footprint and attempted to expand,
9 correct?

10 A. I'm not really sure about how small it was when it started,
11 but it was evidently because we did, you know, an inspection on
12 it, it did exist in the form and all that it was described.

13 MR. MCHUGH: Thank you.

14 MR. SUROVIC: We have no further questions, Your
15 Honor.

16 THE COURT: Okay.

17 MR. SUROVIC: We'd request this witness be permanently
18 excused.

19 THE COURT: Yes, he may. Do you live in the San
20 Antonio area, colonel?

21 THE WITNESS: No, sir, Austin.

22 THE COURT: That's close enough.

23 MR. MCHUGH: We would ask that he would be subject to
24 recall in case.

25 THE COURT: All right. That's why I asked where he

1 lived, so at the moment, sir, you are excused.

2 THE WITNESS: Thank you, sir.

3 THE COURT: Well, who is your next witness?

4 MR. SUROVIC: Your Honor --

5 THE COURT: I hope we move a little faster from now
6 on. This is very slow.

7 MR. SUROVIC: We're trying, Your Honor.

8 THE COURT: Try a little harder.

9 MR. SUROVIC: Actually I believe that Mr. McHugh has a
10 special request. We have a witness who came from Austin. I am
11 trying to expedite things and so I no longer need her as a
12 witness, but he would like to ask her one or two questions from
13 what I understand and so we'd like to if possible and I'm doing
14 the talking, but this is really yours, Tom, we'd like to be
15 able to take her out of order. Let Mr. McCrum call her as a
16 witness.

17 THE COURT: This is definitely not McCrum. You mean
18 you want to do that this afternoon?

19 MR. SUROVIC: If we could, that way we could save her
20 having to come back tomorrow. I understand she'll be a very
21 short witness.

22 THE COURT: I've heard that before. Is it going to be
23 a short witness?

24 MR. MCHUGH: I can't make that representation.

25 THE COURT: All right. Well, we'll see her tomorrow

1 morning.

2 MR. SUROVIC: Your Honor, if she's going to go home
3 tonight, we might as well just have her called when during the
4 defense case because I'm not calling her as a witness. It's
5 Mr. McHugh and we're just trying to accommodate her.

6 THE COURT: Let her go home and we'll see her at some
7 point down the road. She's in Austin.

8 MR. SUROVIC: She's in Austin. Sue Jevning. I had
9 her on my witness list because she was the actual education
10 director at the time that the thing was actually approved. And
11 so, you know, I didn't know if I would be able to get in the
12 documents concerning the actual approval. I got it through.

13 MR. MCHUGH: Your Honor?

14 THE COURT: Yes.

15 MR. MCHUGH: We would like to attempt to be economical
16 with the witness and call her this afternoon.

17 THE COURT: How economical? Because you know they're
18 going to start closing the place up on us actually.

19 MR. SUROVIC: If Mr. McHugh is going to limit himself
20 to the stuff he's going to ask, I don't think I'm going to have
21 any cross.

22 THE COURT: Well --

23 MR. MCHUGH: We'll call her back. She'll still be
24 under your Subpoena.

25 MR. SUROVIC: Right.

1 THE COURT: Okay. Very good. We'll see you tomorrow
2 morning, regular time.

3 COURT SECURITY OFFICER: All rise.

4 (4:29 p.m.)

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UNITED STATES DISTRICT COURT

WESTERN DISTRICT OF TEXAS

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date signed: October 20, 2019

/s/ Angela M. Hailey

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